DOCUMENT RESUME

ED 336 065 IR 015 069

TITLE	Fair Use and Unpublished Works. Joint Hearing on S. 2370 and H.R. 4263, Bills To Amend Section 107 of Title 17, United States Code...before the Subcommittee on Patents, Copyrights, and Trademarks of the Senate Committee on the Judiciary and the Subcommittee on Courts, Intellectual Property, and the Administration of Justice of the House Committee on the Judiciary.
INSTITUTION	Congress of the U.S., Washington, D.C. House Committee on the Judiciary.; Congress of the U.S., Washington, D.C. Senate Committee on the Judiciary.
REPORT NO	Senate-Hrg-101-1221
PUB DATE	Jul 90
NOTE	384p.; Serial No. J-101-83 (Senate) and Serial No. 137 (House).
AVAILABLE FROM	Superintendent of Documents, Congressional Sales Office, U.S. Government Printing Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC16 Plus Postage.
DESCRIPTORS	*Copyrights; *Fair Use (Copyrights); Federal Government; *Federal Legislation; Government Role; Hearings; *Intellectual Property
IDENTIFIERS	Congress 101st; *Unpublished Materials

ABSTRACT

This hearing was called to consider two bills that would amend the section of the United States Code relating to fair use, to clarify that such section applies to both published and unpublished copyrighted works. Recent judicial developments are reviewed which suggest that the fair use doctrine does not apply to the subsequent uses of unpublished works and that an author's copyright in unpublished materials is, therefore, infringed by those subsequent uses, and that an injunction is appropriate to prevent publication. Opening statements by the chairmen of the two presiding subcommittees, Dennis DeConcini and Robert A. Kastenmeier, open the report, followed by the texts of the two bills. Testimony and prepared statements are then presented from the following witnesses: Floyd Abrams, A. G. W. Biddle, Taylor Branch, James M. Burger, Pierre N. Leval, Jonathan W. Lubell, J. Anthony Lukas, Roger J. Miner, James L. Oakes, William F. Patry, Barbara Ringer, and Senator Paul Simon, who introduced letters and statements on behalf of the Magazine Publishers of America; the American Association of Law Libraries; the American Library Association and the Association of Research Libraries; the Electronic Industries Association; and nine educational testing organizations, namely: the American College Testing Program, College Entrance Examination Board, Educational Testing Service, Graduate Management Admission Council, Graduate Record Examinations Board, Law School Admission Council, National Council of Architectural Registration Boards, National Council of Examiners for Engineering and Surveying, and Test of English as a Foreign Language Policy Council. Letters to Robert Kastenmeier, Dennis DeConcini, and Paul Simon are also appended together with a statement from the National Center for Fair and Open Testing. (DB)

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S. Hrg. 101-1221

FAIR USE AND UNPUBLISHED WORKS

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON
PATENTS, COPYRIGHTS AND TRADEMARKS

OF THE

SENATE COMMITTEE ON THE JUDICIARY

AND THE

SUBCOMMITTEE ON
COURTS, INTELLECTUAL PROPERTY,
AND THE ADMINISTRATION OF JUSTICE

OF THE

HOUSE COMMITTEE ON THE JUDICIARY

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

S. 2370 and H.R. 4263

BILLS TO AMEND SECTION 107 OF TITLE 17, UNITED STATES CODE, RELATING TO FAIR USE, TO CLARIFY THAT SUCH SECTION APPLIES TO BOTH PUBLISHED AND UNPUBLISHED COPYRIGHTED WORKS

JULY 11, 1990

Serial No. J-101-83
(Senate Committee on the Judiciary)

Serial No. 137
(House Committee on the Judiciary)

Printed for the use of the Senate and House Committees on the Judiciary

IR015069

U.S. GOVERNMENT PRINTING OFFICE
38-636 WASHINGTON : 1991

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Joseph V. Wolfe, *Minority Counsel*

CONTENTS

STATEMENTS OF SENATORS AND REPRESENTATIVES

Page

DeConcini, Hon. Dennis, a U.S. Senator from the State of Arizona 1

Kastenmeier, Hon. Robert W., a U.S. Representative from the State of Wisconsin 2, 4

Simon, Hon. Paul, a U.S. Senator from the State of Illinois 144

Leahy, Hon. Patrick J., a U.S. Senator from the State of Vermont 144, 145

PROPOSED LEGISLATION

S. 2370 and H.R. 4263, bills to amend section 107 of title 17, United States Code, relating to fair use, to clarify that such section applies to both published and unpublished works 8

CHRONOLOGICAL LIST OF WITNESSES

William F. Patry, Policy Planning Advisor to the U.S. Register of Copyrights, Library of Congress, Washington, DC 10

Panel consisting of Hon. James L. Oakes, chief judge, U.S. Court of Appeals for the Second Circuit; Hon. Roger J. Miner, judge, U.S. Court of Appeals for the Second Circuit; and Hon. Pierre Leval, judge, U.S. District Court for the Southern District of New York 81

Panel consisting of Taylor Branch, author, and J. Anthony Lukas, author 156

Panel consisting of Floyd Abrams, Esq., Cahill Gordon & Reindel, New York, NY; Barbara Ringer, Esq., former U.S. Register of Copyrights, Library of Congress; and Jonathan W. Lubell, Esq., Morrison Cohen Singer & Weinstein, New York, NY 183

Panel consisting of A.G.W. Biddle, president, Computer and Communications Industry Association [CCIA]; and James M. Burger, chief counsel, Government, Apple Computer, Inc., on behalf of the Computer and Business Equipment Manufacturers Association [CBEMA] and the Software Publishers Association [SPA] 317

ALPHABETICAL LIST AND MATERIAL SUBMITTED

Abrams, Floyd:
  - Testimony 183
  - Prepared statement 186

Biddle, A.G.W.:
  - Testimony 317
  - Prepared statement 319

Branch, Taylor:
  - Testimony 156
  - Prepared statement 159
  - Letter to Senator Simon in response to questions submitted by Senator Leahy 168

Burger, James M.:
  - Testimony 325
  - Prepared statement 327

Leval, Hon. Pierre N.:
  - Testimony 101
  - Prepared statement 103
  - "Toward a Fair Use Standard," commentary, reprinted from Harvard Law Review, vol. 103, No. 5, March 1990 109
  - Letter to Senator Simon in response to questions submitted by Senator Leahy 142

Page

Lubell, Jonathan W.:
  Testimony 226
  Prepared statement 228
Lukas, J. Anthony:
  Testimony 170
  Prepared statement 173
Miner, Hon. Roger J.:
  Testimony 90
  Prepared statement 92
  Biography 96
  Responses to questions submitted by Senator Hatch 99
Oakes, Hon. James L.:
  Testimony 81
  Prepared statement 82
  Biography 84
  Supplementary statement 85
  Letter to Senator Simon in response to questions submitted by Senator Leahy 87
Patry, William F.:
  Testimony 10
  Prepared statement of Ralph Oman, Register of Copyrights and Assistant Librarian for Copyright Services 14
Ringer, Barbara:
  Testimony 215
  Prepared statement 218
Simon, Hon. Paul:
  Statement of Kenneth M. Vittor on behalf of the Magazine Publishers of America 238
  Statement on behalf of the American Association of Law Libraries 259
  Statement of the American Library Association and the Association of Research Libraries 268
    Resolution on "Fair Use" of Unpublished Sources, adopted by the Council of the American Library Association 272
  Letter to Senator DeConcini in support of S. 2370, from Bruce Perry, Ph.D., of Perry, Kandel, and Associates, July 4, 1990 273
  Letter to Bruce Perry, Bruce Frazier Perry, Philadelphia, PA, from James C. Griggs, president, Malcolm X, Chicago, IL, January 28, 1980 277
  Statement of the Electronic Industries Association 278
  Statement of Andres J. Valdespino 279
  Summary of Irwin Karp letter to Chairmen DeConcini and Kastenmeier on bills to amend section 107 (S. 2370/H.R. 4263) 286
  Letter to Senator DeConcini and Representative Kastenmeier, from Irwin Karp, attorney at law, Rye Brook, NY, July 9, 1990 287
  Letter to Senator DeConcini and Representative Kastenmeier, from Committee for Literary Property Studies (with attached Memorandum), August 24, 1990 296
  Statement of American College Testing Program, College Entrance Examination Board, Educational Testing Service, Graduate Management Admission Council, Graduate Record Examinations Board, Law School Admission Council, National Council of Architectural Registration Boards, National Council of Examiners for Engineering and Surveying, and Test of English as a Foreign Language Policy Council 301
  Letter to Hon. Robert Kastenmeier, from Jane C. Ginsburg, associate professor of law, Columbia University in the City of New York, New York, NY, June 25, 1990 309

APPENDIX

Letters to Hon. Robert Kastenmeier, chairman, House Judiciary Subcommittee on Courts, Intellectual Property, and the Administration of Justice, U.S. House of Representatives, Washington, DC, from:

  Alfred D. Sumberg, Associate General Secretary, American Association of University Professors, Washington, DC, July 9, 1990 361
  W. Russell Wayman, vice president and general counsel, Storage Technology Corp., Louisville, CO, July 9, 1990 362
  Victor A. Kramer, professor of English, Georgia State University, Atlanta, GA (with attachment), July 10, 1990 364

Page

Letter to Hon. Dennis DeConcini, chairman, Judiciary Subcommittee on Patents, Copyrights and Trademarks, U.S. Senate, Washington, DC, and Hon. Robert Kastenmeier, chairman, House Judiciary Subcommittee on Courts, Intellectual Property, and the Administration of Justice, U.S. House of Representatives, Washington, DC, from Donald W. Banner, president, Intellectual Property Owners, Inc., July 27, 1990 368

Letters to Hon. Paul Simon, chairman, Senate Judiciary Subcommittee on the Constitution, Washington, DC, from:

- Edie and Ray Gibson and Randall Turner, Evanston, IL, May 8, 1990 370
- John Mack Carter, president, American Society of Magazine Editors, editor-in-chief, Good Housekeeping, New York, NY, September 11, 1990. 372

Statement of the National Center for Fair and Open Testing, Cambridge, MA. 374

FAIR USE AND UNPUBLISHED WORKS

WEDNESDAY, JULY 11, 1990

U.S. SENATE, SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS, COMMITTEE ON THE JUDICIARY, JOINTLY WITH U.S. HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE ADMINISTRATION OF JUSTICE, COMMITTEE ON THE JUDICIARY,

Washington, DC.

The subcommittees met, pursuant to notice, at 9:30 a.m., in room 226, Dirksen Senate Office Building, Hon. Dennis DeConcini (chairman of the Senate subcommittee) and Hon. Robert W. Kastenmeier (chairman of the House subcommittee) presiding.

Also present: Senators Leahy, Simon, and Grassley, and Representatives Berman and Hughes.

OPENING STATEMENT OF HON. DENNIS DeCONCINI, A U.S. SENATOR FROM THE STATE OF ARIZONA

Senator DECONCINI. May we please have order. The Subcommittee on Patent, Copyright and Trademarks will come to order. A court reporter will be here momentarily. We are taping this so that it will be transcribed in accordance with the rules of the Judiciary Committee.

We are having a joint hearing with the House Subcommittee on Courts, Intellectual Property, and the Administration of Justice. I am pleased to cochair this hearing with my distinguished colleague from the House side, Chairman Robert Kastenmeier.

I have worked for many years with Chairman Kastenmeier and his staff, and I am grateful that they could come over this morning to this side of the Hill for this important hearing.

The subject of this hearing is an important one for this Senator—whether there can be limited fair use of unpublished work for purposes such as news reporting, scholarly research or criticism.

Recent decisions in the second circuit have raised the question of whether unpublished works such as letters and diaries can ever be quoted from even for limited purposes. Chairman Kastenmeier has introduced H.R. 4263 in the House to address this issue. In a few moments, he will speak for himself regarding his bill.

On the Senate side, my distinguished colleague from Illinois, Senator Paul Simon, has taken the lead in resolving this problem and has, also, introduced a bill, S. 2370. He will be here shortly. He is on the floor at this moment with the savings and loan amendment to the crime bill, which will be voted on this morning.

I will not be able to stay for the entire hearing. However, I will be here for part of it. It is a very important subject matter that we need to get to, and I compliment both Chairman Kastenmeier and Senator Simon for taking the lead in getting this effort before the proper committees so we can address it.

I look forward to reviewing the testimony as we move to, perhaps, a markup sometime after these hearings.

I will now yield to the chairman of the subcommittee on the House side, Chairman Kastenmeier.

OPENING STATEMENT OF HON. ROBERT W. KASTENMEIER, A U.S. REPRESENTATIVE FROM THE STATE OF WISCONSIN

Representative **Kastenmeier**. I thank you, Senator DeConcini, for hosting and cochairing this hearing with me this morning. Again, we are working together on a very complex subject in which we share jurisdiction. Over the years, these issues have certainly been the source of a great deal of work between our subcommittees and our respective bodies.

I am pleased that today the House Subcommittee on Courts, Intellectual Property, and the Administration of Justice is holding this joint hearing with the Senate Subcommittee on Patents, Copyrights and Trademarks. I am pleased to know that Senator Simon will be also joining us shortly.

The hearing will review recent judicial developments on the issue of the application of the copyright law's fair use doctrine to unpublished works. The issue involves the intersection of important copyright doctrines, privacy interests, and the first amendment.

These cases have suggested that the fair use doctrine does not apply to the subsequent uses of unpublished works and that an author's copyright in unpublished materials is, therefore, infringed by those subsequent uses, and that an injunction is appropriate to prevent publication.

Distinguished publishers, authors, and others with an interest in the creation and dissemination of informational materials have raised the specter of outside censorship and an unwillingness even to take on controversial but important critical writing.

Scholars across the country fear that the copyright laws will be used to prohibit them from quoting primary sources which are the basic building blocks of history, biography and other creative efforts, and that their ability to fully explore controversial topics will be limited. They argue that the public will be the ultimate loser.

I am well aware that others take a contrary view. They suggest that congressional intervention is, at best, premature, that the courts will resolve these concerns on their own, and that amendments to the fair use doctrine might well upset the careful balance we achieved in the 1976 act.

The constitutional mandate to create the copyright laws is itself a careful balance between the rights of creators and the public. That mandate and those laws protect the interest of the creators of copyrighted works but they do so with the ultimate goal of encouraging free and open expression and the fullest possible public access to that expression.

The Supreme Court has noted that "the Framers intended copyright * * * to be the engine of free expression, that it is intended to increase, not impede, the harvest of knowledge." Sometimes, regrettably, the goals of the Copyright Act appear to conflict with each other and with other important societal values such as the right of privacy and the interests protected by the first amendment.

In 1976, in the Copyright Revision Act, the Congress sought to create a clear but necessarily flexible standard of fair use. It recognized that judges must apply the fair use doctrine based on the facts of a particular case, but that the law must state as clearly as possible what is permissible behavior and what is not.

Today we will hear distinguished authors and legal experts express their concern that the courts have been too rigid in excluding unpublished works from the application of the fair use doctrine. Others, equally distinguished, will argue, based on the common law and legislative history of the Copyright Act, that the courts have appropriately applied the fair use doctrine in this context.

In resolving this controversy, we must ask: what is an unpublished work and under what circumstances should an injunction be issued when fair use does not apply? International considerations must also inform our deliberations. The United States has recently joined the Berne International Copyright Convention.

Before proceeding to amend any part of the Copyright Act, we must be certain that we continue to meet our obligations under that convention. Other international developments include the current GATT negotiations and the European Community's directive on software.

Recent events around the world prove that this country's long-held tradition against publication restraints is well-founded and that limits on access to information are the hallmarks of a totalitarian society, not of a democracy. The copyright law does not specifically recognize the first amendment, but it is clear that important first amendment interests and other equally important equitable principles must be considered in deciding whether to enjoin an infringing publication.

My bill, and I believe that of Senator Simon, recognizes the clear dictates of precedent. Therefore, both bills intend that the courts should apply all four fair use factors to a work, whether published or unpublished. The bills seek to clarify that while the unpublished nature of a work is certainly relevant to fair use analysis, it should not alone be determinative.

So, Mr. Chairman, I am eager to hear our witnesses today to determine how best to protect and encourage scholarly efforts and further the mandate of the first amendment while still acknowledging the copyright and privacy interests involved.

Thank you, Mr. Chairman.

[Statement submitted by Representative Kastenmeier and copies of S. 2370 and H.R. 4263 follow:]

OPENING REMARKS OF ROBERT W. KASTENMEIER
FOR JOINT HEARING ON
H.R. 4263 AND S. 2370
(FAIR USE AND UNPUBLISHED WORKS)
JULY 11, 1990

I AM PLEASED THAT TODAY THE HOUSE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE ADMINISTRATION OF JUSTICE IS HOLDING A JOINT HEARING WITH THE SENATE SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS, AND THAT MY GOOD FRIENDS DENNIS DE CONCINI AND PAUL SIMON ARE CHAIRING THE HEARING WITH ME. THE HEARING WILL REVIEW RECENT JUDICIAL DEVELOPMENTS ON THE ISSUE OF THE APPLICATION OF THE COPYRIGHT LAW'S FAIR USE DOCTRINE TO UNPUBLISHED WORKS. THIS ISSUE INVOLVES THE INTERSECTION OF IMPORTANT COPYRIGHT DOCTRINES, PRIVACY INTERESTS, AND THE FIRST AMENDMENT.

THESE CASES HAVE SUGGESTED THAT THE FAIR USE DOCTRINE DOES NOT APPLY TO SUBSEQUENT USES OF UNPUBLISHED WORKS, THAT AN AUTHOR'S COPYRIGHT IN UNPUBLISHED MATERIALS IS THEREFORE INFRINGED BY THOSE SUBSEQUENT USES, AND THAT AN INJUNCTION IS APPROPRIATE TO PREVENT PUBLICATION. DISTINGUISHED AUTHORS, PUBLISHERS, AND OTHERS WITH AN INTEREST IN THE CREATION AND DISSEMINATION OF INFORMATIONAL MATERIALS HAVE RAISED THE SPECTRE OF OUTSIDE CENSORSHIP AND AN UNWILLINGNESS EVEN TO TAKE ON CONTROVERSIAL BUT IMPORTANT CRITICAL WRITING. SCHOLARS ACROSS THE COUNTRY FEAR THAT THE COPYRIGHT LAWS WILL BE USED TO PROHIBIT THEM FROM QUOTING PRIMARY SOURCES, WHICH ARE THE BASIC BUILDING

BLOCKS OF HISTORY, BIOGRAPHY, AND OTHER CREATIVE EFFORTS, AND THAT THEIR ABILITY TO FULLY EXPLORE CONTROVERSIAL TOPICS WILL BE LIMITED. THEY ARGUE THAT THE PUBLIC WILL BE THE ULTIMATE LOSER.

I AM WELL AWARE THAT OTHERS TAKE A CONTRARY VIEW. THEY SUGGEST THAT CONGRESSIONAL INTERVENTION IS PREMATURE, THAT THE COURTS WILL RESOLVE THESE CONCERNS ON THEIR OWN, AND THAT AMENDMENTS TO THE FAIR USE DOCTRINE MIGHT WELL UPSET THE CAREFUL BALANCE WE REACHED IN THE 1976 COPYRIGHT ACT.

THE CONSTITUTIONAL MANDATE TO CREATE THE COPYRIGHT LAWS IS ITSELF A CAREFUL BALANCE BETWEEN THE RIGHTS OF CREATORS AND THE PUBLIC. THAT MANDATE, AND THOSE LAWS, PROTECT THE INTERESTS OF CREATORS OF COPYRIGHTED WORKS, BUT THEY DO SO WITH THE ULTIMATE GOAL OF ENCOURAGING FREE AND OPEN EXPRESSION, AND THE FULLEST POSSIBLE PUBLIC ACCESS TO THAT EXPRESSION. THE SUPREME COURT HAS NOTED THAT "THE FRAMERS INTENDED COPYRIGHT ... TO BE THE ENGINE OF FREE EXPRESSION [AND THAT IT] IS INTENDED TO INCREASE AND NOT IMPEDE THE HARVEST OF KNOWLEDGE."

SOMETIMES, REGRETTABLY, THE GOALS OF THE COPYRIGHT ACT APPEAR TO CONFLICT WITH EACH OTHER, AND WITH OTHER IMPORTANT SOCIETAL VALUES, SUCH AS THE RIGHT TO PRIVACY AND THE INTERESTS PROTECTED BY THE FIRST AMENDMENT.

IN 1976, IN THE COPYRIGHT REVISION ACT, THE CONGRESS SOUGHT TO CREATE A CLEAR, BUT NECESSARILY FLEXIBLE, STANDARD OF FAIR USE. IT RECOGNIZED THAT JUDGES MUST APPLY THE FAIR USE DOCTRINE BASED ON THE FACTS OF A PARTICULAR CASE, BUT THAT THE LAW MUST STATE AS CLEARLY AS POSSIBLE WHAT IS PERMISSIBLE BEHAVIOR AND WHAT IS NOT.

TODAY WE WILL HEAR DISTINGUISHED AUTHORS AND LEGAL EXPERTS EXPRESS THEIR CONCERN THAT THE COURTS HAVE BEEN TOO RIGID IN EXCLUDING UNPUBLISHED WORKS FROM APPLICATION OF THE FAIR USE DOCTRINE. OTHERS, EQUALLY DISTINGUISHED, WILL ARGUE THAT BASED ON THE COMMON LAW AND LEGISLATIVE HISTORY OF THE COPYRIGHT ACT, THE COURTS HAVE APPROPRIATELY APPLIED THE FAIR USE DOCTRINE IN THIS CONTEXT.

IN RESOLVING THE CONTROVERSY, WE MUST ASK, WHAT IS AN UNPUBLISHED WORK? UNDER WHAT CIRCUMSTANCES SHOULD AN INJUNCTION BE ISSUED WHEN FAIR USE DOES NOT APPLY? TAKEN TO ITS LOGICAL CONCLUSION, FOR EXAMPLE, DO THESE COURT DECISIONS MEAN THAT HISTORIANS COULD BE PREVENTED FROM USING NEWLY DISCOVERED DIARIES OF ADOLPH HITLER?

INTERNATIONAL CONSIDERATIONS MUST ALSO INFORM OUR DELIBERATIONS. THE UNITED STATES HAS RECENTLY JOINED THE BERNE INTERNATIONAL COPYRIGHT CONVENTION. BEFORE PROCEEDING TO AMEND ANY PART OF THE COPYRIGHT ACT, WE MUST BE CERTAIN THAT WE CONTINUE TO MEET OUR OBLIGATIONS UNDER THE CONVENTION. OTHER INTERNATIONAL DEVELOPMENTS INCLUDE THE CURRENT GATT NEGOTIATONS AND THE EUROPEAN COMMUNITY'S DIRECTIVE ON SOFTWARE.

JAMES MADISON ONCE NOTED THAT "KNOWLEDGE WILL FOREVER GOVERN IGNORANCE. AND A PEOPLE WHO MEAN TO BE THEIR OWN GOVERNORS, MUST ARM THEMSELVES WITH THE POWER WHICH KNOWLEDGE GIVES." RECENT EVENTS AROUND THE WORLD PROVE THAT THIS COUNTRY'S LONG-HELD TRADITION AGAINST PUBLICATION RESTRAINTS IS WELL-FOUNDED AND THAT LIMITS ON ACCESS TO INFORMATION ARE HALLMARKS OF TOTALITARIAN SOCIETIES, NOT OF DEMOCRACIES. THE COPYRIGHT LAW DOES NOT

SPECIFICALLY RECOGNIZE THE FIRST AMENDMENT, BUT IT IS CLEAR THAT IMPORTANT FIRST AMENDMENT INTERESTS, AND OTHER EQUALLY IMPORTANT EQUITABLE PRINCIPLES, MUST BE CONSIDERED IN DECIDING WHETHER TO ENJOIN AN INFRINGING PUBLICATION.

MY BILL AND, I BELIEVE, SENATOR SIMON'S BILL RECOGNIZE THE CLEAR DICTATES OF PRECEDENT. THEREFORE, BOTH BILLS INTEND THAT COURTS SHOULD APPLY ALL FOUR FAIR USE FACTORS TO A WORK, WHETHER PUBLISHED OR UNPUBLISHED. THE BILLS SEEK TO CLARIFY THAT, WHILE THE UNPUBLISHED NATURE OF A WORK IS CERTAINLY RELEVANT TO THE FAIR USE ANALYSIS, IT SHOULD NOT ALONE BE DETERMINATIVE.

I AM EAGER TO HEAR FROM OUR WITNESSES TODAY TO DETERMINE HOW BEST TO PROTECT AND ENCOURAGE SCHOLARLY EFFORTS AND FURTHER THE MANDATE OF THE FIRST AMENDMENT WHILE STILL ACKNOWLEDGING THE COPYRIGHT AND PRIVACY INTERESTS INVOLVED.

II

101st CONGRESS
2d Session

S. 2370

To amend section 107 of title 17, United States Code, relating to fair use, to clarify that such section applies to both published and unpublished copyrighted works.

IN THE SENATE OF THE UNITED STATES

March 29 (legislative day, January 23), 1990

Mr. Simon (for himself and Mr. Leahy) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

---

A BILL

To amend section 107 of title 17, United States Code, relating to fair use, to clarify that such section applies to both published and unpublished copyrighted works.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107 of title 17, United States Code, is amended by inserting "whether published or unpublished," after "fair use of a copyrighted work,".

I

101st CONGRESS
2d Session

H. R. 4263

To amend section 107 of title 17, United States Code, relating to fair use, to clarify that such section applies to both published and unpublished copyrighted works.

IN THE HOUSE OF REPRESENTATIVES

March 14, 1990

Mr. Kastenmeier introduced the following bill; which was referred to the Committee on the Judiciary

---

A BILL

To amend section 107 of title 17, United States Code, relating to fair use, to clarify that such section applies to both published and unpublished copyrighted works.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107 of title 17, United States Code, is amended by inserting "whether published or unpublished," after "fair use of a copyrighted work,".

Senator DeConcini. Thank you, Mr. Kastenmeier. We will now proceed with the first witness, William F. Patry, Policy Planning Advisor to the U.S. Register of Copyrights. We have a long list of witnesses this morning, so we would ask that their full statements be inserted in the record. We would ask that they would attempt to summarize them for us in 5 minutes, please.

Mr. Patry, pleased to have you. Please proceed.

STATEMENT OF WILLIAM F. PATRY, POLICY PLANNING ADVISOR TO THE U.S. REGISTER OF COPYRIGHTS, LIBRARY OF CONGRESS, WASHINGTON, DC

Mr. Patry. Thank you, Chairman DeConcini, Chairman Kastenmeier. I am honored to appear before you today on behalf of the Register of Copyrights. Mr. Oman is, unfortunately, out of the country on official business, as you know, and expresses his regret that he cannot be here.

We have submitted a written statement, and I will, according to your directions, briefly summarize that here.

Senator DeConcini. Thank you.

Mr. Patry. The issues raised in House Resolution 4263 and Senate bill 2370 are important and well deserve the attention that you are giving them in this joint hearing. The fair use doctrine encapsulates one of the principal tensions within the copyright law: how to protect the original author while still encouraging subsequent authors to build upon in the work of their predecessors.

The copyright law cannot fulfil its constitutional mandate to promote the progress of science unless it does both. Too much protection will discourage the creation of subsequent works just as surely as too little protection will discourage the creation of original works. The balance between these two undesirable results—too much protection discouraging subsequent authors; too little protection discouraging original works—is as necessary as it is difficult to achieve.

Fair use is, as we know, an equitable rule of reason designed to give the courts the flexibility necessary to achieve that constitutional balance between competing authors and, it should be added, to encourage the widest dissemination of works of authorship.

The task of drafting appropriate statutory language, as opposed to legislative history, should not be underestimated. The ad hoc nature of fair use determinations makes legislating exceeding complex if not contradictory. The intent of most statutes is to codify a legal principle. Fair use, on the other hand, requires room to breathe, to develop, to be molded, to be shaped to very specific facts.

The legislative reports that accompany the 1976 Copyright Act make this point explicitly, stating that codification of fair use was intended to "restate the present judicial doctrine of fair use, not to change, narrow or enlarge it in any way. The courts must be free to adapt the doctrine to particular situations on a case-by-case basis."

Obviously, the Congress can disagree with the way the courts have developed fair use, and you can amend the statute accordingly. Copyright, including fair use, after all, is a creature of statute.

However, in order for Congress to effectively change the law, you must be able to draft language that will clearly identify, for the courts, how to decide what are very fact-specific cases.

Judge Leval, whom you will be hearing from momentarily, has had a stronger dose, I think, of fair use problems than any of us. He has handled them, of course, beautifully and wittily. He observed, though, that "we should not adopt a clear standard unless it were a good one. And we don't have a good one."

Of course, Judge Leval was speaking before the introduction of these two bills and it is my understanding that he supports the bills.

But I think it is a fair question for fair use; what is a clear standard? Is it navigating between the shoals that were set out in *Harper and Row?* The Supreme Court said that the unpublished nature of a work is a key, but not the determinative factor. Is it one of the purposes of the bills to try and indicate for the courts what the difference is between a factor being key but not determinative?

Or, less ambitiously, but equally as important, is the intent of the legislation to remove the gloss that was put on the *Harper and Row* decision by the second circuit, which is that, normally, the unpublished nature of a work gives that work complete protection? Is that what the goal of the bills is, to remove what is believed to be a virtually per se rule?

The Copyright Office believes that the legislative process of addressing these issues is at an initial, albeit extremely important, stage. You will hear today from a wide variety of witnesses who will, no doubt, provide you with much to contemplate. If, after hearing the witnesses and reviewing their written comments, the subcommittees conclude that the prevailing decisions have severely restricted the flexibility necessary to make fair use determinations and, that a legislative solution is preferable to continue case-law development, the Copyright Office can support appropriately drafted legislation.

That concludes my summary. Thank you.

Senator DECONCINI. Thank you very much. We welcome Congressman Berman, if he has any opening statement.

Representative BERMAN. Thank you; no statement.

Senator DECONCINI. Mr. Patry, I take it from your statement that the Office does not take a position in favor or opposed to this bill; is that accurate?

Mr. PATRY. We believe that the legislative process has to identify, clearly, what the goal of the legislation is. Is the goal of the legislation to reverse some of the language in the Supreme Court's decision on *Harper and Row* saying that the unpublished nature of a work is a key but not the determinative factor? Probably not.

I think from the floor statements, it is evident that the approach is to try and eliminate what is viewed to be a virtually per se rule in the second circuit, which is that normally unpublished works enjoy complete protection from the Copyright Act.

It if is believed that a legislative solution is appropriate—and, here, I believe the Copyright Office does not have an institutional interest in the legislation. In our normal course of work, we don't make fair use determinations. We view our role here as being an advisory one to you in drafting legislation. I think the key is to find out from the authors and publishers and from the judges whom you have here today, will this bill help them do what you want to do, will it give them more guidance?

Senator DECONCINI. I take it from your statement—correct me, please, if I am inaccurate—that if a standard could be written, that is what we should do, or, at least, consider.

Mr. PATRY. Yes. And it may be that the bills, as drafted, will accomplish that. Interestingly, there are two different views, I think, on the drafting of the statute. Some people believe that it doesn't accomplish anything because fair use already applies to unpublished work, so why are you going to amend the statute to do what it already does?

Other people believe that is the beauty of the drafting, that it does not attempt to overreach. I think the important thing is to find out from the authors and the judges whether or not this particular language will accomplish your goals. If it does, we support it.

Senator DECONCINI. So, for the record, the Copyright Office has no position on this bill?

Mr. PATRY. On the drafting. If it is believed that the drafting, as it is, is appropriate to the goals, we will support it.

Senator DECONCINI. And you don't know. You are here for these hearings, also?

Mr. PATRY. Yes, I am. That's right. I think that is why I came at 9:30.

Senator DECONCINI. Welcome. Thank you.

Chairman Kastenmeier?

Representative KASTENMEIER. Thank you, Chairman DeConcini. I should point out, for those who may not know, Mr. Patry is the author of "The Fair Use Privilege in Copyright Law." He is not just a representative of the Copyright Office. He is, perhaps, the best informed person who could possibly be here on the subject.

As a matter of fact, it was my understanding that you had taken the position in your treatise that the common law basically—and, perhaps, I am oversimplifying it—that the common law, really, did not permit application of the fair use doctrine to unpublished works, but that more recently you have reviewed that position and do not quite think that it applies that starkly to unpublished works. You differentiate now among or between unpublished works; is that correct?

Mr. PATRY. Yes. And I would like to tie that into my response to Senator DeConcini which may have been perceived as less than direct. When I wrote that book, I wrote it to learn about the doctrine, not because I knew very much about it. In writing it and researching it for about 3 years, I learned some things about it. That was in 1984.

Since then, I have learned a lot more about it. I think I have learned, probably, the most in the last year from Judge Leval who has had a tremendous influence on my thinking. I think I will learn a lot more about it today from hearing the people who have had the problems in applying the statute.

So I think that is the benefit of having the hearing. It is not that we know what fair use means or how it best should be done, that this really is an ongoing learning process. It is a very flexible doctrine. In my fair use book I think I was not as flexible as I should have been. I really did not perceive the problems all the way around as I should have.

Judge Leval has helped me tremendously, and I expect that the witnesses you will hear today will help you and me as well. That is what I really meant, that after hearing the witnesses, if you think it does the job, then we will support it but it is a difficult, complex issue. It has been around for well over 200 years.

Representative KASTENMEIER. Would you not agree, however, that the recent court decisions taken as a continuum have narrowed the application of fair use to unpublished works?

Mr. PATRY. I think one of the critical issues of the *Salinger-New Era* opinions is on their interpretation of *Harper and Row* v. *The Nation* which said that the unpublished nature is a key but not determinative factor and that, under ordinary circumstances, the scope of fair use of unpublished works in narrower.

What does that mean? What do ordinary circumstances mean? What does it mean to be narrower? The second circuit said there are two possibilities. One was that you could use less material, that normally you could take less from an unpublished work than you could from a published work.

The other alternative is that the circumstances under which fair use would be applied are narrower. They took the second alternative, and that is the law in that circuit until it is either changed by an en banc hearing, by the Supreme Court or by Congress.

I think that that gloss, or that interpretation of *Harper and Row,* is what has led to the belief that there is a virtual per se rule. That is not going to change in that circuit until something happens either here or en banc. I do think, though, that the second circuit has devoted extraordinary attention to the issue, and the judges that you have here today have evidenced extreme receptivity and responsibility in trying to evolve this doctrine.

Senator DECONCINI. Thank you very much, Mr. Patry.

Congressman Berman?

Representative BERMAN. No questions.

Senator DECONCINI. Thank you very much, Mr. Patry. We appreciate your testimony and your willingness to give us further advice and counsel.

[The prepared statement of Mr. Oman follows:]

SUMMARY OF
STATEMENT OF RALPH OMAN
REGISTER OF COPYRIGHTS AND
ASSISTANT LIBRARIAN FOR COPYRIGHT SERVICES

BEFORE THE SUBCOMMITTEE ON COURTS, INTELLECTUAL
PROPERTY AND THE ADMINISTRATION OF JUSTICE
HOUSE JUDICIARY COMMITTEE
AND
THE SUBCOMMITTEE ON THE CONSTITUTION
SENATE JUDICIARY COMMITTEE

ON H.R. 4263 AND S. 2370

JULY 11, 1990

The Copyright Office appreciates the opportunity to testify today on H.R. 4263 and S. 2370. The issues raised in these identical bills are important and well deserve the attention you are giving them. H.R. 4263 and S. 2370 would amend Section 107 of title 17, United States Code, by inserting four words: "whether published or unpublished," after the phrase "fair use of a copyrighted work" in the preamble to that section. The purpose of the bills is "to give the courts sufficient flexibility in making both a fair use determination and a decision about whether injunctive relief is appropriate." This flexibility is intended to permit the courts to adapt "the fair use test to particular situations that may arise."

The bills were introduced out of concern that recent decisions by the United States Court of Appeals for the Second Circuit involving unpublished works may have created a virtual per se rule prohibiting biographers' and historians' use of such works.

As with any legislative proposal, Congress should be convinced that a legislative solution is required and that the particular legislative solution proposed represents the best solution to the problem. Regarding H.R. 4263 and S. 2370, the subcommittees should examine whether or not Congress should let the courts refine their approach to the issues as part of the traditional judicial interpretation of the statute that has marked so much of the development of our copyright law. If, after hearing the witnesses and reviewing the written comments, the subcommittees conclude that the prevailing decisions have removed or severely restricted the flexibility necessary to make fair use determinations in accordance with the goals of the Copyright Act, and that a legislative solution is preferable to continued case law development, the Copyright Office can support appropriately drafted legislation.

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INTRODUCTION

The Copyright Office appreciates the opportunity to testify today on H.R. 4263 and S. 2370, bills introduced, respectively, by Chairman Kastenmeier and Chairman Simon to amend the fair use provision of the Copyright Act. The issues raised in these identical bills are important and well deserve the attention you are giving them.

H.R. 4263 and S. 2370 would amend Section 107 of title 17, United States Code, by inserting four words: "whether published or unpublished," after the phrase "fair use of a copyrighted work" in the preamble to that section.

The purpose of the bills is "to give the courts sufficient flexibility in making both a fair use determination and a decision about whether injunctive relief is appropriate."[1] This flexibility is intended to permit the courts to adapt "the fair use test to particular situations that may arise."[2]

The bills were introduced out of concern that recent decisions by the United States Court of Appeals for the Second Circuit involving unpublished works may have created a virtual per se rule prohibiting biographers' and historians' use of such works.[3]These decisions[4] have caused considerable concern among authors, publishers, and others in the scholarly community. That concern has led some authors and publishers to delete any unauthorized use of unpublished material, and others to undertake expensive and time-consuming legal reviews of manuscripts for possible liability. "There is a fear that the uncertainty engendered by this series of cases will lead to self-censorship to avoid lawsuits and restraints on publication."[5] Indeed, it is believed that the specter of such suits "ha[s] already had a chilling effect."[6]

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[1]. CONG. REC. H806 (daily ed. March 14, 1990)(floor statement of Chairman Kastenmeier)("Kastenmeier floor statement").

[2]. CONG. REC. S. 3549 (daily ed. March 29, 1990)(floor statement of Senator Simon)("Simon floor statement").

[3]. Kastenmeier floor statement; Simon floor statement; CONG. REC. S. 3550 (daily ed. March 29, 1990)(statement of Senator Leahy)("Leahy statement"). Cf. *New Era Pubs. Int'l ApS v. Henry Holt & Co.*, 873 F.2d 576, 593 (2d Cir. 1989),*cert. denied*, 58 U.S.L.W. 3528 (U.S. Feb. 20, 1990)(Oakes, C.J., concurring: "I do not think that *Harper & Row*, as glossed by *Salinger*, leads to the inevitable conclusion that all copying from unpublished works is per se infringement").

[4]. *Salinger v. Random House, Inc.*, 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987); *New Era Pubs. Int'l ApS v. Henry Holt & Co.*, 684 F. Supp. 808 (S.D.N.Y. 1988); 695 F. Supp. 1493 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir.), *petition for reh'g en banc denied*, 884 F.2d 659 (2d Cir. 1989), *cert. denied*, 58 U.S. L.W. 3528 (U.S. Feb. 20, 1990). See also *New Era Pubs. Int'l ApS v. Carol Pub. Group*, 1990 U.S. App. LEXIS 8726 (2d Cir. 1990)(finding fair use of published material). With great prescience, an earlier panel of the Second Circuit called fair use "the most troublesome in the whole law of copyright." *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939)(per curiam).

H.R. 4263 and S. 2370 are intended to thaw this chill by making clear that Section 107 of title 17 "applies equally to unpublished as well as published works,"[7] by "direct[ing] the courts to apply the full fair use analysis to all copyrighted works, rather than peremptorily dismissing any and all citation to unpublished works as infringing."[8] By "equal opportunity," I do not understand the bills to mean that the courts should treat an unpublished work identically to a published work, but rather that "the same guidelines, set forth in section 107,"[9] should be applied to both categories of works. "[T]he bill [is not] intended to render the unpublished nature of a work irrelevant to fair use analysis under the four statutory factors. Courts would still consider the fact that the work is unpublished in assessing the nature of a work, or in determining the effect of the use upon the potential market for the work."[10]

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[5]. Kastenmeier floor statement.

[6]. Simon floor statement.

[7]. Kastenmeier floor statement.

[8]. Simon floor statement.

[9]. Kastenmeier floor statement.

By so doing, the bills are designed to balance the interests of different groups of authors in order to further the constitutional goal of promoting the progress of science. The fair use doctrine encapsulates one of the principal tensions within this balance, how to protect the original author while still encouraging subsequent authors to build on the work of their predecessors. The copyright law can not fulfill its constitutional purpose unless it accomplishes both goals. Too much protection for the original author may discourage later authors just as surely as too little protection may discourage the creation of the original work. The balance between these two equally undesirable results is as necessary as it is difficult to achieve.

This hearing will address such difficulties. Chairman Kastenmeier has already noted some of them in his floor statement introducing H.R. 4263:

> [S]hould the term "unpublished" be specifically defined?
>
> How does this proposed amendment square with the Berne Convention... ?

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[10] .Simon floor statement.

> In what instances is injunctive relief appropriate, especially when the first amendment is implicated?
>
> Most importantly, how do we balance the interests protected by the copyright laws with legitimate privacy concerns, and with the dictates of the first amendment?[11]

In their floor statements, Senators Simon and Leahy also noted the concerns of the software industry that the bills might permit unauthorized use of unpublished source code and related material. With the debate in the European Community over the issue of decompilation of software, and the efforts to obtain intellectual property provisions in the GATT, these concerns take on specific international dimensions in addition to the general ones noted by Chairman Kastenmeier.

Other domestic concerns should also be addressed as well, such as the effect of the bills on libraries and other educational institutions, including whether fewer donations of unpublished letters would be made, or more restrictive access imposed.

Finally, as with any legislative proposal, Congress should be convinced that a legislative solution is required and that the particular legislative solution proposed represents the best solution to the problem. Regarding H.R. 4263 and S. 2370, the subcommittees should examine whether or not it Congress should let the courts refine their approach to the issues as part of the traditional judicial interpretation of the statute that has marked so much of the development of our copyright law. If, after hearing the witnesses and reviewing the written comments, the subcommittees conclude that the prevailing decisions have removed or severely restricted the flexibility necessary to make fair use determinations in accordance with the goals of the Copyright Act, and that a legislative solution is preferable to continued case law development, the Copyright Office can support appropriately drafted legislation.

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[11] Kastenmeier floor statement.

I. The Origins of Fair Use

A. The English Cases

Fair use evolved by a process of accretion from decisions of the English courts in the 18th century construing both the 1710 Statute of Anne and the common law. These early cases raised important issues of first impression on the scope of copyright, a subject left up to the courts by the Statute of Anne. In *Gyles v. Wilcox*[12], the Lord Chancellor held that the "colorable shortening" of books violated the statute, while "real and fair abridgments" did not, because they involved "invention, learning, and judgment" by the abridger.[13] This decision reflected in part the lack of an express right to prepare derivative works, and in part judicial accommodation of the inherent tension between the original author and subsequent authors wishing to use the original in a productive manner for the benefit of the public.

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[12] 2 Atk. 141 (1740).

[13] Id. at 143.

The 1803 at law decision of Cary v. Kearsley,[14] is perhaps the first to apply a fair use[15] rather than fair abridgment analysis. Cary involved competing itineraries. Defendant had referred to plaintiff's work in creating his work, correcting some of plaintiff's misprintings, and adding his own observations. In strongly indicating he would rule in defendant's favor, Lord Ellenborough noted that "while I shall think myself bound to secure every man in the enjoyment of his copyright, one must not put manacles on science."[16]

Four years later, in dictum, Lord Ellenborough addressed the question of permissible quotation of a copyrighted work in a review, doing so in language strikingly similar to that later used by American courts: "A review will not in general serve as a substitute for the book reviewed; and even there, if so much is extracted that it communicates the same knowledge with the original work, it is an actionable violation of literary property."[17]

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[14]. 4 Esp. 168 (1803).

[15]. The question presented in Cary was whether defendant had "used fairly" plaintiff's work. The first formulation of the doctrine as "fair use" apparently occurred 36 years later in Lewis v. Fullarton, 2 Beav. 6 (1839). The difference between the fair abridgment and fair use defenses was discussed in Wilkins v. Aikin, 17 Ves. (Ch.) 422 (1810).

[16]. 4 Esp. at 171. Compare U.S. CONST. art. I, §8 cl. 8: "Congress shall have the power to promote the progress of science ... by securing for limited times to authors ... the exclusive right to their writings... ."

This decision demonstrates early concern over the market effect of the defendant's use of plaintiff's work, and a willingness to look beyond the mere labelling of a use as a review.[18] The question remained, though, how much quotation was too much? This question was reached in Bramwell v. Halcomb, an 1836 decision to dissolve an injunction. Lord Chancellor Cottenham answered a claim of privileged quotation by stating:

> When it comes to a question of quantity, it must be very vague. One writer might take all the vital part of another's book, though it might be but a small proportion of the book in quantity. It is not only quantity but value that is always looked to. It is useless to refer to any particular cases as to quantity.[19]

Then, as now, not every unauthorized appropriation of copyrighted material gave rise to a prima facie case of infringement. The concept of noninfringing de minimis uses was discussed in *Bell v. Whitehead*,[20] a case involving magazine reports of scientific principles. Under *Bell*, small amounts of copyrighted material copied for purposes of scientific illustration did not give rise to a prima facie violation, and thus, fair use, as an affirmative defense, did not have to be reached.[21]

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[17]. Roworth v. Wilkes, 1 Camp. 94, 98 (1807).

[18]. See also Mawman v. Tegg, 2 Russ. (Ch.) 385, 393 (1826): "Quotation, for instance, is necessary for the purpose of reviewing; and quotation for such a purpose is not to have the appellation of piracy affixed to it; but quotation may be carried to the extent of manifesting piratical intent."

[19]. 3 My. & Cr. (Ch.) 737, 738 (1836).

To summarize very generally the English case law up to 1839 (when the doctrine crossed the Atlantic): criticisms or reviews that used only de minimis amounts of the original copyrighted work did not constitute a prima facie case of infringement. Productive uses[22] that took more than de minimis amounts of material could be fair use if they did not substitute for the original. The question of how much appropriation was too much involved both a quantitative and qualitative analysis and had to be decided on a case by case basis, taking into account all the facts and circumstances.

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[20]. 8 L.J. (N.S.) (Ch.) 141 (1839).

[21]. American cases under the 1909 Copyright Act also took the position that fiair use is an affirmative defense. The Supreme Court authoritatively decided the question under the 1976 Copyright Act in *Harper & Row, Pub., Inc. v. Nation Enterprises*, 471 U.S. 539, 561 (1985).

[22]. By "productive uses," I mean the use by one author (including a critic or reviewer) of another author's work in the creation of a new work (including a review). See also Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111-1113 (1990)(discussing "transformative" uses); *Sony Corporation of America v. Universal City Studios, Inc.*, 464 U.S. 417, 478-479 (1984)(Blackmun, J., dissenting); Seltzer, EXEMPTIONS AND FAIR USE IN COPYRIGHT (1978).

B. Development of Fair Use in the United States

Our first copyright act[23] was a virtual copy of the English Statute of Anne. It should not be surprising, therefore, that the early American copyright cases looked to the English decisions for guidance. The first American opinion to address the issues of fair abridgment and fair use was Gray v. Russell, an 1839 decision by Supreme Court Justice Joseph Story, sitting as a Circuit Justice in the District of Massachusetts.[24]

Gray v. Russell involved a claim in a compilation of public domain notes added to latin grammars. In finding that plaintiff had a protectible interest in his compilation, Justice Story, in dicta, examined the permissible and impermissible uses of copyrighted material. This dicta strongly emphasized the need for a bona fide purpose, the inability to state a rule of thumb on how much appropriation is too much, and the importance of the second work not substituting for the original in the marketplace.[25]

Two years later, Justice Story decided Folsom v. Marsh, again sitting as a Circuit Justice.[26] Folsom v. Marsh is frequently cited as the first fair use case in the United States. Justice Story's formulation of the fair use factors in Folsom v. Marsh has hardly been improved upon, forming much of the conceptual underpinning for Section 107 of the 1976 Copyright Act. It is fitting for today's hearing that Folsom v. Marsh involved not only a biography, but use of President Washington's public and private letters.[27] Interestingly, no distinction between the two categories was made in the opinion.

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[23]. Act of May 31, 1790, 1st Cong., 2d Sess., 1 Stat. 124.

[24]. 10 F. Cas. 1035 (C.C. D. Mass. 1839)(No. 5,728).

[25]. Id. at 1038-1039.

Justice Story began by accepting defendant's framing of the issue as whether "[a]n author has a right to quote, select, extract or abridge from another, in the composition of a work essentially new."[28] The issue was, Justice Story believed, "one of those intricate and embarrassing questions arising from the administration of civil justice, in which it is not, from the peculiar nature and character of the controversy, easy to arrive at any satisfactory conclusion, or to lay down any general principles applicable to all cases."[29]

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[26]. 9 F. Cas. 342 (C.C.D. Mass. 1841)(No. 4,901).

[27]. Defendant Reverend Charles Upham's work, The Life of Washington in the Form of an Autobiography, used the artifice of a narrative "by" Washington, reproducing extracts and selections from Washington's writings and correspondence. The work was 866 pages long and was intended for school libraries.

[28]. 9 F. Cas. at 343, 344.

[29]. Id. See also Leval, Fair Use or Foul?, 36 J. COPR. SOC'Y 167, 180 (1989), commenting on this passage in Folsom v. Marsh: "That was an understatement. A test that spoke with a definite

Despite Justice Story's modesty, the rest of the opinion was a helpful formulation of just such general principles. Justice Story first set out what he called the "two extremes": copying the whole substance of the work with only slight omissions, and, a review of the work for the purpose of "fair and reasonable criticism."[30] The difficulty lay in deciding cases falling between these two extremes.

As a threshold question, Justice Story addressed the scope of copyright -- and thereby the nature of infringement--holding:

> It is certainly not necessary, to constitute an invasion of copyright, that the whole of a work should be copied, or even a large portion of it, in form or in substance. If so much is taken, that the value of the original is sensibly diminished, or the labors of the original author are substantially to an injurious extent appropriated by another, that is sufficient, in point of law, to constitute a piracy pro tanto. The entirety of the copyright is the property of the author; and it is no defence, that another person has appropriated a part, and not the whole, of any property. Neither does it necessarily depend upon the quantity taken, whether it is an infringement of the copyright or not. It is often affected by other considerations, the value of the materials taken, and the importance of it

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standard would champion predictability at the expense of justification, and do injury to intellectual activity to the detriment of the copyright objectives. We should not adopt a clear standard unless it were a good one - and we don't have a good one."

[30]. Id. at 344-345.

to the sale of the original work.[31]

One of those other important considerations was whether defendant made a productive use of the material appropriated, with Justice Story condemning the "facile use of scissors," and extractions of "the essential parts, constituting the chief value of the original work."[32] Summing the matter up in what has become the classic formulation of the fair use factors, Justice Story wrote:

> In short, we must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.[33]

Notwithstanding Justice Story's belief that defendant's work involved "very meritorious labors" and the relatively small amount appropriated -- 4.5% -- infringement was found because defendant had copied "the essential parts, constituting the chief value of the work."[34]

Justice Story's formulation of the fair use factors served as the bedrock of future American fair use decisions over the next 137 years. Fair use continued its judicial development during this period without any statutory basis, being applied in cases involving criticism, reviews, biographies, parodies, and a wide variety of other fact settings. Because the focus of today's hearing is on biographical and historical uses of unpublished works, and in particular decisions from the Second Circuit, the Copyright Office shall not review the general development of the fair use doctrine. Instead, the Office devotes a later, separate section of this statement to the recent Second Circuit decisions, and briefly notes here antecedents to those decisions' comments regarding the scope of fair use of unpublished material.

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[31]. Id. at 348.

[32]. Id. at 345.

[33]. Id.at 348.

[34]. Id. at 345.

C. Fair Use of Unpublished Works

The concept of fair use of unpublished works is inextricably intertwined with the concept of "publication." Until the 1976 Act, publication constituted the general dividing line between federal and state copyright protection, with the latter form of protection generally reserved for unpublished works. Publication was (and remains) a highly technical construct, frequently defying common sense.[35] My focus here will be on the more limited question of unpublished letters, diaries, and the like.

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[35] For example, the live performance of a new musical composition on television before millions of people worldwide from handwritten parts would not, in and of itself, constitute publication. Nor would the distribution under restrictive licenses of copies of computer software.

The English courts, with their strong emphasis on privacy rights,[36] protected unpublished letters against all copying.[37] The first cases in the United States involving unpublished works involved plays, but todk the same position.[38] Fair use of unpublished letters was directly addressed in a 1967 New York state case, *Estate of Hemingway v. Random House, Inc.*.[39] There is, unfortunately, a difference of opinion about whether the *Hemingway* court confused fair use with insubstantial takings, and even whether particular passages in the opinion referred to published material.[40] In any event, on appeal the New York Court of Appeals affirmed the trial court decision favoring use on the ground of implied consent.

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[36]. See e.g., *Prince Albert v. Strange*, 1 Mac. & G. 25 (1849) and generally, Newman, *Copyright and the Protection of Privacy*, 12 COLUM. - VLA J. LAW & ARTS 459 (1988); Leval *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1129-1130 (1990).

[37]. See, e.g., *Pope v. Curl*, 2 Atk. 342 (1741)(letters of Alexander Pope to Jonathan Swift).

[38]. *Fendler v. Morosco*, 253 N.Y. 281, 291 (N.Y. 1930). See also *Stanley v. Columbia Broadcasting System*, 221 P.2d 73, 78 (Cal. 1950)(en banc), and *American Tobacco Co. v. Werckmeister*, 207 U.S. 284, 299 (1907)(At common law, "the property of the author ... in his intellectual property [was] absolute until he voluntarily part[ed] with the same").

[39]. 53 Misc. 462 (N.Y. Sup. Ct.), *aff'd*, 285 N.Y.S.2d 568 (App. Div. 1967), *aff'd on other grounds*, 23 N.Y. 2d 341 (1968). *Folsom v. Marsh* also involved unpublished letters, but the court did not base its decision on the letters' unpublished nature.

[40]. See *Salinger v. Random House, Inc.*, 650 F. Supp. 413, 422 (S.D.N.Y. 1986).

Unlike British jurisprudence, decisions in U.S. federal courts on unpublished works were few before passage of the 1976 Copyright Act because state law governed infringement of most unpublished literary works. The present federal question of fair use of unpublished works must be evaluated in light of the codification of fair use principles and the Supreme Court's decision in *Harper & Row, Pub., Inc. v. Nation Enterprises.*[41]

II. The Codification of Fair Use in the 1976 Copyright Act

As part of the omnibus revision of the 1909 Copyright Act, Congress in 1955 authorized the Copyright Act to undertake a program of studies of the problems expected to be encountered in drafting a new statute. Study No. 14, *Fair Use of Copyrighted Works*, by the late Professor Alan Latman, was issued in 1958. Professor Latman did not take a position on codification of fair use in a new statute, instead reviewing past legislative proposals and analyzing issues underlying any codification of fair use. In Study No. 15, *Photoduplication of Copyrighted Materials by Libraries*, by Borge Varmer, the applicability of fair use to library photocopying was discussed. Varmer suggested that the issue should be resolved by voluntary agreement among the interested parties, or failing such agreement, by enactment of a statutory provision that would set out specific guidelines. Study No. 29, Protection of Unpublished Works, by William Strauss, generally concerned the then existing dual system of federal copyright protection for (most) published works, and state protection for (most) unpublished works. The Latman, Varmer, and Strauss studies all noted a general rule that fair use was not available for unauthorized use of unpublished works.[42]

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[41]. 471 U.S. 539 (1985). See also *Salinger v. Random House, Inc.*, 811 F.2d 90, 95 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987)("Whatever glimmerings on th[e] subject have appeared in cases decided before May 20, 1985 ... our guidance must now be taken from the decision of the Supreme Court on that date in *Harper & Row* ..., the Court's first delineation of the scope of fair use as applied to unpublished works").

In 1961, the Register of Copyrights issued a report on the general revision.[43] Chapter 3 of the report contained a discussion of fair use. The Register noted that fair use had been developed by the courts without a statutory basis and was "firmly established as an implied limitation on the exclusive rights of copyright owners." In light of the fact that fair use was "such an important limitation on the rights of copyright owners, and occasions to apply that doctrine arise so frequently," the Register recommended that the statute "should mention it."[44]

The Register did not offer a definition of fair use, but did state: "[B]roadly speaking, it means that a reasonable portion of a copyrighted work may be reproduced without permission when necessary for a legitimate purpose which is not inconsistent with the copyright owner's exclusive right to exploit the market for his work."[45] The Register also listed a number of examples of uses that "may be permitted" as fair use. Two of these examples are relevant to today's hearing, "Quotation of excerpts in a review or criticism for purposes of illustration or comment," and, "[q]uotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations."[46]

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[42]. Latman study at 7; Varmer study at 53; Strauss study at 4 n.32.

[43]. REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 87th Cong., 1st Sess. (Comm. Print 1961).

[44]. Id. at 24, 25.

Whether any particular use was a fair use would depend, the Register believed, on the following four factors:

> (1) the purpose of the use,
> (2) the nature of the copyrighted work,
> (3) the amount and substantiality of
> the material used in relation to the
> copyrighted works as a whole, and
> (4) the effect of the use on the copyrighted
> owner's potential market for his work.[47]

The Register considered the factors to be "interrelated and their relative significance may vary," adding that "the fourth one - the competitive character of the use - is often the most decisive."[48] Despite his belief that the new act should affirm the general principle of fair use, the Register also believed that it was not possible to "prescribe precise rules suitable for all situations." [49] Significantly for our purposes today, the Register stated that fair use should not be available for unpublished works: "Unpublished works under common law protection are also immune from limitations on the scope of statutory protection that have been imposed in the public interest. These limitations ... include the 'fair use' doctrine... ."[50] The report also concluded, however, that "[w]hen any holder of a manuscript has made it accessible to the public in a library or other archival institution ... the manuscript should be subject to fair use."[51]

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[45] Id. at 24.

[46] Id.

[47] Id.

In 1963, the Register issued a draft revision bill. Section 6 of this draft contained the following provision on fair use:

> §6. LIMITATIONS ON EXCLUSIVE RIGHTS: FAIR USE. All of the exclusive rights specified in section 5 shall be limited by the privilege of making fair use of a copyrighted work. In determining whether, under the circumstances in any particular case, the use of a copyrighted work constitutes a fair use rather than an infringement of copyright, the

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[48] Id. at 24-25.

[49] Id. at 25.

[50] Id. at 40.

[51] Id. at 43. The context of this discussion makes clear that "the holder" is the owner of the physical object and not the copyright owner.

> following factors, among others, shall be considered: (a) the purpose and character of the use, (b) the nature of the copyrighted work, (c) the amount and substantiality of the material used in relation to the copyrighted work as a whole, and (d) the effect of the use upon the potential value of the copyrighted work.

This formulation of the factors is virtually identical to those later codified in Section 107 in the 1976 Copyright Act.[52]

The history of the 1976 Copyright Act is replete with single issues seriously delaying enactment. The most well known examples are the controversies over the cable television and jukebox compulsory licenses. Although less dramatic, codification of fair use in the 1976 Act was equally threatened by the controversy over photocopying. Joined with fair use from the beginning of the revision effort, the issue of photocopying would later be resolved by a separate section - 108 - for library photocopying, by a reference in the preamble to Section 107 to "multiple copies for classroom use," and by agreed-upon guidelines for classroom use.[53]

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[52]. The changes made from the 1963 draft bill are as follows. As introduced in the 1964 revision bills, the preamble was substantially revised to a form virtually identical to that codified in Section 107. See S. 3008, H.R. 11947, H.R. 12354, 88th Cong., 1st Sess. (1964). On September 3, 1976, the House Judiciary Committee added the phrase "including whether such use is of a commercial nature or is for nonprofit educational purposes" to the first factor. The second factor remained unchanged. The third factor was changed in the 1964 revision bills by replacing the word "material" with "portion." The fourth factor was also changed in the 1964 revision bills by inserting after the word "potential" the phrase "market for or."

Photocopying nevertheless managed to bog down codification for a number of years and generated some of the most bitter disputes of the entire revision process. Further complicating matters was ongoing litigation involving the Williams & Wilkins company and the National Institutes of Health and the National Library of Medicine over those agencies' systematic unauthorized photocopying of scientific journals. After a favorable trial ruling, Williams & Wilkins lost at the Court of Claims, a decision that was anticlimactically affirmed without precedential value when the Supreme Court split 4 - 4. [54]

There appear to be only two express references by witnesses or interested parties during the revision effort to the issue of fair use and unpublished works. The first reference came at a September 14, 1961 panel of consultants' meeting, at which a distinction was drawn between unpublished works that were undisseminated, and technically unpublished works that had been voluntarily disseminated, e.g., a play that was performed but not printed. Fair use was believed applicable to the latter, but not to the former.[55] The second reference, in 1965, was in a letter to then Judiciary Committee Chairman Emanuel Celler, regarding the photocopying and microfilming for sale of masters' theses and doctoral dissertations.[56]

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[53]. These guidelines are reproduced in H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 68-70 (1976). See also H.R. REP. NO. 94-1733, 94th Cong., 2d Sess. 70 (1976)(Conference report)(endorsing guidelines and noting corrections).

[54]. 172 U.S.P.Q. 670 (Ct. Cl. 1972), rev'd, 487 F.2d 1345 (Ct. Cl. 1973), aff'd by an equally divided Court, 420 U.S. 376 (1975).

The first congressional reference to fair use and unpublished works came in 1966, in a House Judiciary Committee report:

> The applicability of the fair use doctrine to unpublished works is narrowly limited since, although the work is unavailable, this is the result of a deliberate choice on the part of the copyright owner. Under ordinary circumstances the copyright owner's "right of first publication" would outweigh any needs of reproduction for classroom use.[57]

The reference to classroom reproduction was apparently not intended to limit the principle to educational copying, as the Supreme Court held in *Harper & Row, Pub., Inc. v. Nation Enterprises*.[58] This language was adopted in haec verba in the

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[55]. COPYRIGHT LAW REVISION PART 2. DISCUSSIONS AND COMMENTS ON THE REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 88th Cong., 1st Sess. 27 (Comm. Print 1963).

[56]. *Copyright Law Revision: Hearings on H.R. 4347 et al. Before Subcomm. No. 3 of the House Judiciary Comm.*, 89th Cong., 1st Sess. 1888 (1965)(letter of Professor William D. Barns).

[57]. H.R. REP. NO. 2237, 88th Cong., 2d Sess. 66 (1966).

[58]. 471 U.S. 539, 553-554 (1985).

1975 Senate report accompanying the revision bill.[59] It was not, however, included in the 1976 House Judiciary Committee report, which instead referred back to its 1966 report and noted that the early report "still has value as an analysis of various aspects of the problem."[60]

Both the 1975 Senate and the 1976 House Judiciary Committee reports expressed an intent in enacting Section 107 to "restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way. ... [T]he courts must be free to adapt the doctrine to particular situations on a case-by-case basis."[61] Despite this statement, it appears that codification did change the fair use doctrine. First, Section 107 sets forth four factors which must be considered. Prior to codification, a court could evaluate the use under as few factors as it wished, and factors of its own choosing.[62] Second, by including multiple photocopies of works for classroom use as a possible fair use, Congress decided a controversial issue that had yet to be resolved by the courts, and in so doing, according to some commentators, injected a foreign element into the doctrine.[63] Finally, by not making a distinction between published and unpublished works, Congress arguably broadened fair use of unpublished works.[64] At a minimum, Section 107 facially indicates that fair use may apply to some unpublished works under some circumstances.

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[59]. S. REP. NO. 94-473, 94th Cong., 1st Sess. 64 (1975).

[60]. H.R. REP. NO. 94-1476 at 67. The reference was technically to the House Judiciary Committee's 1967 report. That report was identical to the 1966 report.

[61]. H.R. REP. NO. 94-1476 at 66; S. REP. NO. 94-473 at 62.

[62]. See discussion of this point in Pacific & Southern Co. v. Duncan, 744 F.2d 1490, 1495 n.7 (11th Cir. 1984).

[63]. Seltzer, EXEMPTIONS AND FAIR USE IN COPYRIGHT (1978).

III. Supreme Court Fair Use Decisions

All of the Supreme Court's decisions on fair use have been under the 1976 Act.[65] There have been three such decisions, Sony Corp. of America v. Universal City Studios, Inc.,[66] Harper & Row, Pub., Inc. v. Nation Enterprises,[67] and, Stewart v. Abend.[68]

A. Sony Corp. of America v. Universal City Studios, Inc.

This is the so-called "Betamax" case, in which the Court held that time-shifting of free broadcast television programming for private home viewing was fair use. There was no discussion of whether the programming was published or not.[69]

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[64]. See Miner, Exploiting Stolen Text: Fair Use or Foul Play?, 37 J. COPR. SOC'Y 1 (1989).

[65]. The Court heard two cases under the 1909 Act but split four to four each time. Benny v. Loew's, Inc., 356 U.S. 43 (1958), aff'g, 239 F.2d 532 (9th Cir. 1956); Williams & Wilkins Co. v. United States, 420 U.S. 376 (1975), aff'g, 487 F.2d 1345 (Ct. Cl. 1973).

[66]. 464 U.S. 417 (1984).

[67]. 471 U.S. 539 (1985).

[68]. 110 S.Ct. 1750 (1990).

B. Harper & Row, Pub., Inc. v. Nation Enterprises

Harper & Row did, of course, involve an unpublished work, the about-to-be published autobiography of former President Gerald Ford. The facts in Harper & Row are well-known and thus need only be briefly summarized. The Nation's editor Victor Navasky obtained a copy of the Ford manuscript that he knew he was not authorized to possess. Working quickly over a weekend in order to get the copy back to his source, Navasky produced an article concerning the manuscript itself, containing numerous excerpts from the manuscript. The Nation then published the article in a successful, deliberate effort to beat Ford's authorized serialization in Time magazine. Under a provision of Time's contract with Ford's publisher, Time cancelled serialization and refused to pay the publisher $12,500.

Suit was brought by the publisher in the Southern District on New York. Judge Owen found for the plaintiff, but was reversed by a divided panel of the Second Circuit, which was itself reversed by a 6-3 decision of the Supreme Court.

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[69]. The Court's discussion of the second and third factors was laconic, to say the least. See 464 U.S. at 449-450.

The Supreme Court began by noting that The Nation had "attempted no independent commentary, research, or criticism... ."[70] Nor, in the Court's view, did The Nation seek to merely report facts. Instead, it "actively sought to exploit the headline value of its infringement, making a 'news event' out of its unauthorized first publication of a noted figure's copyright expression."[71]

Turning to the second factor, the nature of the copyrighted work, the Court rejected defendant's argument that codification of fair use in Section 107 of the 1976 Copyright Act reflected Congressional intent that fair use "apply in pari materia to published and unpublished works,"[72] finding instead that "[t]he fact that a work is unpublished is a critical part of its 'nature.' ... [T]he scope of fair use is narrower with respect to unpublished works."[73] The Court agreed that the right of first publication - a common law right codified in Section 106(3) of the 1976 Copyright Act,[74] - is limited by fair use in Section 107, and that "fair use analysis must always be tailored to the individual case."[75] Citing the 1975 Senate Judiciary Committee report, however, the Court concluded that "the unpublished nature of a work is [a] key, though not necessarily determinative factor' tending to negate a defense of fair use,"[76] adding that "[u]nder ordinary circumstances, the author's right to control the first public appearance of his undisseminated expression will outweigh a claim of fair use."[77]

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[70]. 471 U.S. at 543.

[71]. Id. at 539.

[72]. Id. at 552.

[73]. Id. at 564.

[74]. See H.R. REP. NO. 94-1476 at 62; S. Rep. NO. 94-473 at 58.

[75]. 471 U.S. at 552.

The Court was particularly solicitous of the author's right to control the first publication of his or her work, writing:

> First publication is inherently different from other §106 rights in that only one person can be the first publisher. ... [T]he commercial value of the right lies primarily in its exclusivity, because the potential damage to the author from judicially enforced "sharing" of the first publication right with unauthorized uses of his manuscript is substantial, the balance of equities in evaluating such a claim naturally shifts.[78]

The Court's concern extended beyond economic considerations: "The author's control of first publication implicates ... his personal interest in creative control."[79]

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[76]. Id. at 554.

[77]. Id. at 555.

[78]. Id. at 553.

[79]. Id. at 559. See also Warren & Brandeis, The Right to Privacy, 4 HARV. L. REV. 193, 205 (1890)(making public a deliberately unpublished work violates the author's right of "inviolate personality").

Summarizing the relevant holdings of Harper & Row, the Court rejected the argument that fair use applies in pari materia to published and unpublished works, finding instead that the unpublished nature of a work is a "key, though not necessarily determinative factor tending to negate fair use;"[80] the scope of fair use is accordingly "narrower" [81]with respect to fair use. Under "ordinary circumstances" the author's right of first publication will outweigh a claim of fair use.[82] At the same time, however, the Court cautioned that it would not permit authors of unpublished materials to "abuse ... the copyright ... monopoly as an instrument to suppress facts... ." Unfortunately for The Nation, the Court also held that "The Nation did not stop at isolated phrases and instead excerpted subjective descriptions and portraits of public figures whose power lies in the author's individualized expression."[83]

C. Stewart v. Abend

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[80] As I point out below, one of the difficulties faced by the Second Circuit in its recent decisions is negotiating the shoals between the unpublished nature of a work being a "key" factor, yet one that is "not necessarily determinative."

[81] The Court's use of the term "narrower" has caused problems, since some believe it is subject to two different interpretations. See Salinger v. Random House, Inc., 811 F.2d 90, 97 (2d Cir.), cert. denied, 484 U.S. 890 (1987), discussed, infra in Part IVA, and Miner, Exploiting Stolen text: Fair Use or Foul Play?, 37 J. COPR. SOC'Y 1, 5 (1989).

[82] This language has also caused problems, since there is no clear indication when circumstances are not "ordinary."

[83] Id.

This decision, handed down on April 24, 1990 involved the published motion picture "Rear Window." It principally concerned the renewal provisions of the 1909 Act, but fair use was a subsidiary issue discussed briefly by the Court. Briefly, because the claim -- copying of quantitatively and qualitatively significant parts of a creative work in a widely distributed commercial motion picture - strained credulity. In a curious passage of that discussion, the Court wrote that the fair use doctrine "evolved in response to" the "absolute" rule of no unauthorized use of unpublished works.[84] This statement appears to be in contradiction to the history of fair use and is otherwise not explained.

IV. The Recent Second Circuit Decisions

The decisions that bring us here today are *Salinger v. Random House, Inc.*[85] and *New Era Pubs. Int'l ApS v. Henry Holt & Co.*[86] Both were decided by the United States Court of Appeals for the Second Circuit from opinions by Judge Pierre Leval of the

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[84] 110 S.Ct. 1750, 1768 (1990).

[85] 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987).

[86] 684 F. Supp. 808 (S.D.N.Y. 1988); 695 F. Supp. 1493 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir.), *pet. for reh'g en banc denied*, 884 F.2d 659 (2d Cir. 1989), *cert. denied*, 58 U.S.L.W. 3528 (U.S. Feb. 20, 1990).

Southern District of New York. Both involved a biographer's use of unpublished material. The Supreme Court denied certiorari in both cases.

In *Salinger*, the Second Circuit reversed Judge Leval's refusal to issue an injunction against publication of a biographer's manuscript that contained numerous quotations and paraphrases from unpublished letters of writer J.D. Salinger. The letters had been donated by their recipients to university libraries.

In *New Era*, the Second Circuit affirmed Judge Leval's refusal to issue an injunction, but on the ground of laches. The *New Era* panel majority opinion contained language that was critical of Judge Leval's fair use determinations. Rehearing en banc was denied in *New Era* by a 7-5 vote, but with a dissenting opinion by Judge Newman, the author of the *Salinger* opinion. This opinion was joined by Chief Judge Oakes, and Judges Kearse and Winter. Judge Miner, the author of the *New Era* panel majority opinion (and also on the *Salinger* panel) wrote separately concurring in the court's refusal to hear the case en banc. Judges Meskill, Pierce, and Altimari joined in Judge Miner's opinion. Judges Feinberg, Pratt, Cardamone, and Mahoney did not join either Judge Newman or Judge Miner's opinions.

Interestingly, on the whole there is little disagreement with the results in the *Salinger* and *New Era* opinions. There is, however, great concern over language in both opinions on fair use and injunctions, language that in the case of *New Era* is admittedly pure dictum.[87] I believe it will be helpful to briefly review the actual holdings of both cases and to identify the areas of agreement and disagreement among the various judges. I shall also refer to articles written by the various judges that aid in understanding the evolving nature of these areas.

A. *Salinger v. Random House, Inc.*

After being rejected in his request to gain Salinger's cooperation in a biography, writer Ian Hamilton nevertheless proceeded in research. He had little success until he came across several series of letters Salinger had written many years before and which had, variously, been donated by the letters' recipients to the libraries at Princeton, Harvard, and the University of Texas.[88] Hamilton went to these libraries, but in order to gain access to the letters, he had to sign standard form agreements which required the copyright owner's permission before reproducing the letters.

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[87]. See concurring opinion of Judge Miner, 884 F.2d at 660.

[88]. Hamilton learned of the existence of these letters in a bibliography of Salinger materials edited by Jack Sublette and published without Salinger's knowledge in 1984 by Garland Press. The Sublette bibliography contained references to and some quotations from the letters. Salinger subsequently demanded that the quotations in the bibliography be deleted.

Salinger retained the copyright in the letters since the Copyright Act makes a distinction between ownership of exclusive rights and ownership of a lawfully copy (including the original) of a work. Transfer of the material object in which the work is fixed, e.g., the paper on which a letter is written, does not in and of itself convey any of the copyright owner's rights.[89] However, under Section 109(a) of the Copyright Act, the recipients of the letters were the owners of the physical paper on which the letters were written, and thus had the right to donate the letters to the libraries. The libraries had the right under Section 109(c) to publicly display the letters without the authority of the copyright owner.

Hamilton eventually completed his manuscript, including therein liberal quotations from the letters. Permission to quote was not obtained or, apparently, even sought from Salinger. Salinger managed to get a copy of the galleys and demanded deletion of the quotations. After Hamilton revised the manuscript, Salinger reviewed the revisions, and still displeased, sued.

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[89]. 17 U.S.C. §202 (1978).

On a hearing for a preliminary injunction,[90] Judge Leval correctly began by analyzing the scope of Salinger's copyright, finding that "the vast majority of the material taken by Hamilton from the letters is not copyright protected." Information about Salinger's life was encompassed within this category on nonprotected material, and included "far more than the where, when and with whom. Information as to the subject's thoughts and feelings is vital historical fact for the biographer and [may be copied] as long as the biographer does not overstep permissible limits by taking the author's craftsmanship."[91]

Notwithstanding his finding that most of what Hamilton had copied was not subject to protection, Judge Leval also found that in some instances Hamilton had copied expression, concluding that as to these instances "the biographer has gone beyond the permissible report of a historical fact or an idea and has reproduced an image, literary device, metaphor or choice of words that it protected by copyright."[92] Accordingly, Judge Leval then examined the applicability of fair use.[93]

After a scholarly review of the prior case law and

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[90] Judge Leval had earlier granted a temporary restraining order.

[91] 650 F. Supp. at 418.

[92] Id. at 420.

[93] Judge Leval did not separate analyze whether a prima facie of infringement had been made out.

BEST COPY AVAILABLE

legislative history, Judge Leval rejected Salinger's argument that there may be no fair use of unpublished materials, calling this position "exaggerated and unreasonable." Instead, he stated that fair use should be available "sparingly ... lest such use effectively deprive the creator of his right to exercise reasonable control over his artistic reputation and over the initial presentation of his work."[94]

In examining the amount taken, Judge Leval found 30 instances of a use of a word or phrase or image. Some of these passages were copied to "add color and accuracy of detail to the portrait of Salinger," but did not "give the reader the sense that she has read Salinger's letters," nor "interfere with Salinger's control over initial publication."[95] These passages were believed not to constitute "the heart of Salinger's letters, nor of Hamilton's book. The taking of copyright protected matter is insignificant."[96] Judge Leval also perceived a dilemma biographers face in deciding whether to quote or closely paraphrase from the original:

> To the extent he quotes (or closely paraphrases), he risks a finding on infringement and an injunction

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[94]. Id. at 422.

[95]. Id. at 423-424. See also id. at 425: "I conclude that Hamilton's limited use of copyright protected passages from Salinger's letters would have no effect on the marketability of the letters, as contemplated by the fair use statute."

[96]. Id. at 423.

> effectively destroying his biographical work. To the extent he departs from the words of the letters, he distorts, sacrificing both accuracy and vividness of description.[97]

Turning to the remedy of an injunction, Judge Leval held that Salinger had failed to show his entitlement to such relief under the prevailing standards and that the adverse impact on defendant would be substantial.[98]

On expedited appeal to the Second Circuit, a panel consisting of Judges Newman and Miner.[99] Judge Newman began his discussion of fair use by noting that Section 107 of the 1976 Copyright Act "explicitly makes all of the rights protected by copyright, including the right of first publication subject to fair use." Regarding prior case law, Judge Newman observed that "guidance must now be taken from the decision of the Supreme Court ... in Harper & Row, Publishers, Inc. v. Nation Enterprises ... ."[100]

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[97]. Id. at 424.

[98]. Id. at 428.

[99]. Judge Mansfield heard oral argument in the case but died before the opinion was issued. The appeal was, therefore, decided by the remaining members of the panel pursuant to Local Rule §0.14(b). During oral argument, Judge Mansfield expressed concern over Hamilton's failure to obtain Salinger's permission and the effect that a finding in Hamilton's favor would have on libraries, questioning whether fewer letters would be donated in such an event. This issue was not reached in the panel majority opinion, but was discussed by Judge Leval. See 650 F. Supp. at 427.

[100]. 811 F.2d at 95.

In evaluating the first factor, the purpose of the use, Judge Newman found that Hamilton's biography could comfortably be considered "criticism," "scholarship," or "research" within the meaning of the preamble to Section 107. While this fact weighed in Hamilton's favor, Judge Newman also held that it did not "entitle[] him to any special consideration."[101] Indeed, Judge Newman evidenced little empathy with the "biographer's dilemma" perceived by Judge Leval, writing:

> This dilemma is not faced by the biographer who elects to copy only the factual content of letters. The biographer who copies only facts incurs no risk of an injunction; he has not taken copyrighted material. And it is unlikely that the biographer will distort those facts by rendering them in words of his own choosing. On the other hand, the biographer who copies the letter writer's expression of facts properly faces an unpleasant choice. If he copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined; if he "distorts" the expressive content, he deserves to be criticized for "sacrificing accuracy and vividness." But the biographer has no inherent right to copy the "accuracy" or the "vividness" of the letter writer's expression. Indeed, "vividness of description" is precisely an attribute of the author's expression that he is entitled to protect.[102]

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[101] Id. at 96-97.

[102] Id. at 96.

Judge Newman next turned to the second factor, the nature of the copyrighted work, reviewing Harper & Row's discussion on unpublished works. In reading the Supreme Court's statement that "the scope of fair use is narrower with respect to unpublished works," [103] Judge Newman found the word "scope" ambiguous, permitting two interpretations. First, the term could mean that "the circumstances in which copying will be found to be fair use will be fewer in number for unpublished works than for published works," or, that "the amount of copyrighted material that may be copied as fair use is a lesser quantity for unpublished works than for published works."[104]

Judge Newman concluded that the Supreme Court meant the first, and thus held that unpublished works "normally enjoy complete protection against copying any protected expression. Narrower 'scope' seems to refer to the diminished likelihood that copying will be fair use when the copyrighted material is unpublished." [105] I respectfully disagree with Judge Newman's interpretation of Harper & Row. I interpret the passage as indicating that the amount of unpublished material that may be copied will ordinarily be less than for published works. Under my interpretation, the courts would analyze each fair use factor, and apply the more restrictive general rule only with respect to the third factor, amount copied. This disagreement over the proper interpretation of Harper & Row is critical to today's hearing, for I believe it is at the crux of the concern that the Second Circuit has created a virtual per se rule prohibiting fair use of unpublished works.

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[103] 471 U.S. at 564.

[104] Id. at 97.

[105] Id.

Judge Newman's interpretation, representing the panel opinion, will, under the rules of the Second Circuit, remain the law in the Second Circuit until either reversed by an en banc opinion, an opinion of the Supreme Court, or legislation.[106] Indeed, its authoritative interpretation was cited in New Era Pubs., Int'l ApS v. Henry Holt & Co.[107]

Judge Newman's most serious disagreement with Judge Leval's fair use determination was not with the second factor, but the third, the amount and substantiality of the portion used. Judge Newman expressed a concern that Judge Leval had not considered paraphrases in his evaluation and further disagreed that certain passages were not copyrightable. In Judge Newman's opinion, "[t]he taking is significant from a quantitative standpoint as well as a qualitative one. ... To a large extent [the portions copied] make the book worth reading. The letters are quoted or paraphrased on approximately 40 percent of the book's 192 pages."[108] In a little cited but important passage, Judge Newman also stated: "We seriously doubt whether a critic reviewing a published collection of the letters could justify as fair use the extensive amount of expressive material Hamilton has copied."[109]

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[106] See New Era Pubs., Int'l ApS v. Henry Holt & Co., 873 F.2d at 593 (concurring opinion of Chief Judge Oakes).

[107] 873 F.2d at 581 (repeating holding in Salinger that unpublished works "normally enjoy complete protection against copying any expression").

Finally, Judge Newman disagreed with Judge Leval's finding that Hamilton's book would have no effect on the market for Salinger's letter, noting that the statute refers to the "potential market," testimony that that potential value was estimated in excess of $500,000, and concluding that "some appreciable number of persons" reading the paraphrases would get the impression that they had read Salinger's words, thereby diminishing interest in purchasing the originals.[110]

B. New Era Pubs. Int'l ApS v. Henry Holt & Co.

This case concerns a critical biography of Scientology founder L. Ron Hubbard by a disenchanted former member of that group. After denying a temporary restraining order on the ground of laches,[111] Judge Leval heard the matter on plaintiff's application for a preliminary injunction. That application was also denied even though Judge Leval found that a small amount of unpublished copyrighted material was not privileged by fair use, on the ground that "this is one of those special circumstances in which the interests of free speech overwhelmingly exceed the plaintiff's interest in an injunction."[112]

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[108]. Id. at 98-99.

[109]. Id. at 100.

[110]. Id. at 99.

[111]. 684 F. Supp. 808 (S.D.N.Y. 1988).

In an exhaustive review of the facts and the case law, Judge Leval methodically analyzed each use, distinguishing such uses from those in Salinger on the ground that in Salinger the appropriations were for the purpose of copying "the literary talent of the subject to enliven and improve the secondary work."[113] The purpose for copying in New Era was, principally, to use Hubbard's own words to demonstrate certain perceived "dominating traits of character... ."[114] Judge Leval observed that "[o]ften it is the words used by the public figure (or the particular manner of expression) that are the facts calling for comment."[115] "The objective of fair use demands that examples like these come within its scope, notwithstanding quotation from unpublished copyrighted sources."[116]

Regarding the amount copied, Judge Leval found the facts to be inconclusive.[117] The market effect factor was found to favor the defendant since "it will be clear to any reader of [defendant's work] that she had not literally read Hubbard's writings. What she has read is a hostile, critical biography using fragmentary extracts to demonstrate critical conclusions about him. One who has an interest in reading Hubbard's writings would have no sense of having satisfied that interest by reading [defendant's work]."[118]

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[112]. 695 F. Supp. 1493, 1528 (S.D.N.Y. 1988).

[113]. Id. at 1507.

[114]. Id. at 1508.

[115]. Id. at 1502.

[116]. Id. at 1503.

On appeal, the Second Circuit affirmed Judge Leval's refusal to grant an injunction, but on the ground of laches. Nevertheless, the majority opinion, authored by Judge Miner, engaged in an extended discussion of Judge Leval's fair use determinations. The opinion made quite clear that but for laches, an injunction should have been issued,[119] disagreeing with virtually every aspect of Judge Leval's fair use findings.

Regarding the first fair use factor, the majority rejected Judge Leval's "distinction in purpose between the use of an author's words to display the distinctiveness of his writing style and the use of an author's words to make a point about his character," finding such a distinction "unnecessary and unwarranted in applying the statutory fair use purpose."[120] In part, the majority was motivated by a concern that parsing particular passages to determine whether they were used for "valid" biographical purposes would force judges into the ill-suited role of literary critics.[121] In order to avoid this undesirable result, the majority stated courts should initially determine whether defendant's work could be classified as criticism or scholarship. If so, the first factor should be weighed in defendant's favor, but defendant would not be entitled to any further special consideration under that factor.[122]

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[117]. Id. at 1520-1522.

[118]. Id. at 1523.

[119]. 873 F.2d at 585.

[120]. Id. at 583.

Regarding the second factor, the court adhered to *Salinger's* language that "unpublished works normally enjoy complete protection," rejecting Judge Leval's distinction between "use of protected expression to 'enliven' text and the use of protected expression to communicate 'significant points' about the subject."[123]

The majority agreed with Judge Leval's determination of the third fair use factor, but not the fourth. Again following *Salinger*, the majority believed there would be "some impairment of the market for Hubbard's works."[124] Finally, the majority found fault with Judge Leval's refusal to issue an injunction on fair use grounds, stating:

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[121] See Miner, *Exploiting Stolen Text: Fair Use or Foul Play?*, 37 J. COPR. SOC'Y 1, 6 (1989); *New Era*, 884 F.2d at 663 (Miner, J., concurring in refusal to grant petition for rehearing en banc).

[122] 873 F.2d at 583.

[123] Id.

[124] Id.

> We are not persuaded ... that any first amendment concerns not accommodated by the Copyright Act are implicated in this action. Our observation that the fair use doctrine encompasses all claims of first amendment in the copyright field, *Roy Export Co. Establishment v. Columbia Broadcasting System, Inc.*, 672 F.2d 1095, 1099-1100 (2d Cir.), *cert. denied*, 459 U.S. 826 ... (1982), has never been repudiated. *See, e.g.*, *Harper and Row*, 471 U.S. at 557 ... An author's expression of an idea, as distinguished from the idea itself, is not considered subject to the public's "right to know."[125]

Chief Judge Oakes agreed with the court's decision to affirm Judge Leval's refusal to grant the injunction on the ground of laches, but took the majority to task for its extended dicta on fair use. In a comprehensive concurring opinion, Judge Oakes on the whole agreed with Judge Leval's fair use analysis.[126] Acknowledging *Salinger's* statement that a biographer has no "inherent right" to copy the "accuracy" or "vividness" of a letter writer's expression, Judge Oakes did not construe *Salinger* as

> reach[ing] the case where the biographer or critic is using protected expression as a fact to prove a character trait that is at odds with the public image that the

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[125]. Id. at 584.

[126]. 873 F.2d at 586-595.

> subject or the subject's supporters have attempted to prove. As Judge Leval said, it may be "the words used by [a] public figure (or the particular manner of expression) that are the facts calling for comment." ... This is entirely consistent with the Supreme Court's comment in Harper & Row that "quotations may be necessary to convey the facts." ...
>
> I agree with Judge Leval: words that are facts calling for comment are distinguishable from words that simply enliven text. The law recognizes that words themselves may be facts to be proven.[127]

Judge Oakes also reviewed Salinger's interpretation of Harper & Row's ambiguous language on the narrow scope of fair use of unpublished works, adding that while that interpretation is the law of the circuit, "I do not think that Harper & Row, as glossed by Salinger, leads to the inevitable conclusion that all copying from unpublished works is per se infringement. By referring to a diminished 'likelihood,' Salinger suggests that there may be some instances - even though less likely - where copying will be fair use."[128] Citing Harper & Row's statement that the unpublished nature of a work should be a "key, though not necessarily determinative factor," Judge Oakes found implicit rejection of a per se rule, adding that the statute itself does not distinguish between published and unpublished works.[129]

Under Judge Oakes' approach, the second fair use factor

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[127] Id. at 592.

[128] Id. at 593.

[129] Id.

"helps define the burden that is placed upon a defendant to justify its use more convincingly under section 107's other factors when quoting from ... unpublished writings than when quoting from ... published works."[130] Turning to the third factor, Judge Oakes believed the importance of the amount appropriated varied with the Hubbard letters involved, and thus that the factor weighed variously for or against defendant.

With the fourth factor, Judge Oakes and the *New Era* majority "completely part[ed] company, with Judge Oakes agreeing with Judge Leval's analysis.[131] The final issue was the remedy, and again Judge Oakes sided with Judge Leval, believing that "[e]njoining publication of a book is not to be done lightly," and noting that injunctions are discretionary under the Copyright Act. [132] Judge Oakes was of the view that under the facts of *New Era*, an injunction "would discourage writers and publishers who might otherwise undertake critical biographies of powerful people, without serving as an incentive for copyright holders," contrary to the important First Amendment interest in "the widest possible dissemination of information from diverse and antagonistic sources... ."[133]

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[130]. Id.

[131]. Id. at 594.

[132]. Id. at 596. See also 17 U.S.C. (502 (1978).

[133]. Id. at 596-597, citing *Associated Press v. United States*, 326 U.S. 1, 20 (1945).

Even though defendant Holt prevailed, it appealed for a rehearing en banc, which was denied by a 7-5 vote. The rehearing petition, however, generated two opinions, one by Judge Miner, and one by Judge Newman. Judge Miner used his opinion to affirm the conclusions of the New Era panel discussion, and to revise that part of opinion which concerned injunctions. The revised part consisted of the addition of the phrase "under ordinary circumstances" to a passage in the decision that had stated "copying 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use.... ."[134] Significantly, Judge Miner also stated that "[a]ll now agree that injunction is not the automatic consequence of infringement and that equitable considerations are always germane to the determination of whether an injunction is appropriate."[135]

Judge Newman used his opinion to revisit certain language in his Salinger opinion, and to agree with Judge Leval that

> Expressive words sometimes need to be copied "in the interest of accuracy, not piracy." ... [T]he distinction between copying expression to enliven the copier's prose and doing so where necessary to report a fact accurately and fairly has never been rejected even as to unpublished writings in any holding of the Supreme Court or of this Court. ...

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[134]. 884 F.2d at 662.

[135]. Id. at 661.

> ... [W]e are satisfied that the distinction has validity, and, though, we would have preferred to see the matter clarified in either the panel opinion or a rehearing of it, we do not believe that biographers and journalists need be apprehensive that this Circuit has ruled against their right to report facts contained in unpublished writings, even if some brief quotations of expressive content is necessary to report those facts accurately.[136]

Regarding injunctive relief, Judge Newman revised the sentence in his Salinger opinion that stated "If [the biographer] copies more than minimal amounts of expressive material, he deserves to be enjoined," (emphasis added) to read instead that he deserves to be "found liable for infringement."[137] This change significantly shifted the inquiry to the infringement stage of the analysis, and away from the separate question of an appropriate remedy if infringement is found. Noting the discretionary nature of injunctions, Judge Newman wrote that "[t]he public interest is always a relevant consideration for a court deciding whether to issue an injunction."[138]

A petition for certiorari was predictably denied.[139] Unpredictably, however, a number of the judges involved in the

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[136] Id. at 663.

[137] 884 F.2d at 663 n.1.

[138] Id. at 663.

[139] Predictably because the petition was filed by the prevailing party, who was complaining about dicta.

Salinger and New Era cases availed themselves of the opportunity to give lectures and publish articles about the issues raised in those cases.[140] While all provide intriguing insights, for reasons of space, the Copyright Office shall limit its discussion to Judge Miner's and Judge Newman's articles. Judge Miner argued forcefully for an amendment to Section 107 of the Copyright Act, barring all unauthorized use of unpublished works, with the important caveat that works which have been voluntarily disseminated (or in the case of private letters, mailed to the addressee) should not be subject to the proposed total bar on fair use of unpublished works.[141]

In his article, Judge Newman provided a useful summary of the areas of agreement and disagreement in the Second Circuit. He began by characterizing Salinger as holding "fair use did not permit the biographer to copy substantial amounts of the expressive content of Salinger's unpublished letters."[142] Salinger did not "make ... a holding about the propriety of an injunction to halt distribution of a published work, nor about a biographer's entitlement to copy some portions of the expressive content of unpublished writings for an especially compelling reason, such as the need fairly and accurately to convey factual information."[143]

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[140] See Leval, Fair Use or Foul?, 37 J. COPR. SOC'Y 167 (1989); Leval, Toward a Fair Use Standard, 103 HARV. L. REV. 1105 (1990); Newman, Not the End of History: The Second Circuit Struggles with History, 37 J. COPR. SOC'Y 12 (1989); Miner, Exploiting Stolen Text: Fair Use or Foul Play?, 37 J. COPR. SOC'Y 1 (1989); Oakes, Copyrights and Copyremedies: Unfair Use and Injunctions, The Kaplan Lecture.

[141] Miner, Exploiting Stolen Text, supra note 140 at 10-11.

[142] Newman, Not The End of History, supra, note 140 at 13.

Turning to the areas of agreement within the Second Circuit, Judge Newman observed that "[no] decision of our Court casts even the slightest doubt that factual content may be copied, even though the facts are unearthed in unpublished writings."[144] There is also "broad agreement that the biographer may quote unpublished expressive content so long as only 'minimal amounts' are copied."[145] Judge Newman also stated an opinion that

> the Second Circuit has recognized the important principle that copying expressive content may be fair use where justified by the need to report facts accurately, and no ruling has rejected that point, even in the context of unpublished writings.[146]

The areas of disagreement were two-fold. First, "whether, in some circumstances, copying expressive content in unpublished writings is permissible fair use where the copying is done to report factual information fairly and accurately... ." And second, "whether, in some circumstances, the public interest in gaining knowledge justifies denial of an injunction sought to halt distribution of an infringing published work."[147] Judge Newman answered both questions in the affirmative.

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[143] Id.

[144] Id. at 14.

[145] Id.

[146] Id. at 15.

C. New Era Pubs. Int'l ApS v. Carol Pub. Group

The most recent Second Circuit fair use opinion, New Era Pubs. Int'l ApS v. Carol Group[148] also involved the writings of L. Ron Hubbard, but was limited to published works. The Carol panel consisted on Judges Feinberg, Pratt, and Walker. Judges Feinberg and Pratt did not participate in either the Salinger or New Era v. Holt panel opinions, nor did they join in either Judge Miner's or Judge Newman's opinions in the New Era v. Holt denial of the petition for rehearing en banc. Judge Walker had not been confirmed at the time these earlier decisions were handed down.

Carol continued the pattern of reversing district court rulings on fair use, this time finding fair use where the district court (Judge Stanton) had not. While most of the opinion is not relevant to today's hearing, dealing as it does with published works, on some points, the Carol opinion seems to side with the Leval-Newman-Oakes view of the law, rejecting plaintiff's argument that New Era held one could not copy for purposes of demonstrating character defects,[149] and finding no harm to Hubbard's market from defendant's unfavorable biography.[150]

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[147]. Id. at 14.

[148]. 1990 U.S. App. LEXIS 8726 (2d Cir. 1990).

V. International Considerations

Given the recent adherence of the United States to the Berne Convention and the importance of copyright in international trade, Congress should carefully weigh the effect that changes in domestic law will have on our international relations. In this section, the Copyright Office examines three international considerations: (1) compatibility of H.R. 4263 and S. 2370 with the Berne Convention; (2) effect of the bills on the Uruguay rounds of the GATT; and, (3) the effect of the bills on the European Community's consideration of a decompilation privilege for computer software.

A. The Berne Convention

The Copyright Office is aware of arguments that H.R. 4263 and S. 2370 would place the United States at odds with its obligations under the Berne Convention. Leaving aside temporarily a substantive discussion of the issue, we must first analyze what the law was on March 1, 1989, the date of adherence, since Congress declared that the amendments made by the Berne Implementation Act of 1988, "together with the law as it exists on the date of enactment of this Act, satisfy the obligations of the United States in adhering to the Berne Convention... ."[151] Harper & Row v. Nation Enterprises was decided in 1985; Salinger in 1987, and thus both decisions constituted a part of the "existing law" at the date of adherence. New Era v. Holt was decided on April 19, 1989, over a month and a half after the date of adherence. Of course, Salinger represents only the views of one court of appeals, albeit a very important one, and so its role as part of the existing pre-Berne adherence law must be tempered by this consideration. The same is not true for Harper & Row, being a Supreme Court opinion. To the extent that H.R. 4263 and S. 2370 take away holdings from Harper & Row that aided in the United States'compliance with our Berne obligations, there may be a conflict with those obligations. Before reaching that issue, however, we should first examine what the relevant Berne obligations are and then what the relevant holdings of Harper & Row were.

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[149]. Slip opn. at 11.

[150]. Id. at 18 - 22.

The Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention did not discuss the issue of the compatibility of U.S. fair use law with the Berne

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[151] P.L. 100-568, Sec. 2(3), 100th Cong., 2d Sess. (1988), 102 Stat. 2853.

Convention. The closest reference, an oblique one at best, was in Chapter VI, which discussed moral rights. The Ad Hoc Committee noted that while some Berne countries grant a moral right of publication, "i.e., a right to decide whether, and in what form the work shall be presented to the public," others do not, and the "moral right of publication is not provided for in the Berne Convention."[152]

The Berne Convention does, however, provide a general right of reproduction in Article 9.[153] As under the U.S. Copyright Act, there are, however, a number of limitations on Article 9 "rightly set by the public interest."[154] Professor Ricketson has stated that the Berne "'public interest' is a shifting concept that requires a careful balancing of competing claims in each case."[155] Two public interest exceptions found in the Berne Convention are particularly relevant to our inquiry, Articles 9(2) and 10(1). Article 9(2) reads:

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[152] . See Final Report, reproduced in U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyright, and Trademarks of the Senate Judiciary Comm., 99th Cong., 1st & 2d Sess. 461 (1985, 1986). See also discussion in note 160, infra.

[153] . For a history of this provision, see Ricketson, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886 - 1986 at 369-375 (1987)("Ricketson").

[154] . Address of Numa Droz to the 1884 Berne Conference. Actes 1884, 67.

[155] . Ricketson, supra, note 153 at 477.

> It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

An initial point about Article 9(2) is that it is discretionary. Member countries are under no obligation to provide for such limitations. A per se rule against the copying of unpublished works, therefore, would not conflict with Article 9(2). It is only when limitations are put on the right of reproduction that the conditions of Article 9(2) apply. Fair use under U.S. law certainly qualifies as such a limitation. The conditions of Article 9(2) are three-fold and cumulative: (1) the limitations must apply only to "special cases;" (2) the limitation must not conflict with the "normal exploitation" of the work;" and, (3) the use must not "unreasonably prejudice the legitimate interests" of the author.

Ricketson considers "special cases" to be those justified by "some clear reason of public policy or some other exceptional circumstance."[156] Essentially, this requirement is directed toward preventing blanket exemptions to the reproduction right. The ad hoc nature of American fair use and the general care taken by the courts in applying the doctrine should raise no issue of compliance with this condition.

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[156]. Id. at 482.

Ricketson considers that the normal exploitation condition "refers simply to the ways in which an author might reasonably be expected to exploit his work in the normal course of events," believing that "the determination of what is a normal exploitation will depend upon the kind of work in question."[157] This raises the difficult question of determining what "normal exploitation" is for unpublished letters, such as Salinger's, that are deliberately unexploited.

Article 9(2), like Section 107 of the U.S. Copyright Act, makes no distinction between published and unpublished works. Ricketson cautions, however, that "this does not lead to the result that [unpublished works] may be reproduced to the same extent as published works."[158] Ricketson adds, though, that "[w]here an unpublished work is reproduced without the author's consent, there is no reason to suppose that this will necessarily conflict with the normal exploitation of the work any more than would be the case of a published work."[159] The American cases reviewed above on the whole disagree with Ricketson's assessment, but it does provide an interesting view of the Convention's obligations.

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[157] Id. at 483.

[158] Id. at 488.

[159] Id.

Ricketson takes the position that in the case of unpublished works, it is the third condition - no "unreasonable prejudice to the legitimate interests" of the author - that is "far more likely to be answered in the affirmative."[160] This condition, like the second, appear to be encompassed within the fourth fair use factor under U.S. law. Given the ad hoc nature of determinations under both Article 9(2) and Section 107, and the extremely modest nature of the amendments contemplated by H.R. 4263 and S. 2370, The Copyright Office does not believe that H.R. 4263 and S. 2370 would place U.S. law in conflict with our obligations under Article 9(2) of the Berne Convention.

Unlike Article 9(2), Article 10(1) is a mandatory provision, and reads:

> It shall be permissible to make quotations

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[160] Id. Ricketson believes that this condition provides an indirect form of the moral right of first publication. Id. at 488-489. See also comments of Mr. Jean-Alexis Ziegler, Secretary General, International Confederation of Societies of Authors and Composers at the November 25, 1987 "Roundtable Discussions on United States Adherence to the Berne Convention" conducted by the House Subcommittee on Courts, Civil Liberties and the Administration of Justice in Geneva Switzerland, reproduced in Berne Convention Implementation Act of 1987: Hearings on H.R. 1623 Before the House Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Judiciary Comm., 100th Cong., 1st & 2d Sess. 1155 (1987 and 1988)(stating the opinion that the Supreme Court's decision in Harper & Row v. Nation Enterprises concerned "precisely one of the attributes of the author's right, his right of disclosure"). However, since Berne does not require a moral right of first publication, it is not clear how altering the Harper & Row opinion, as interpreted by Mr. Ziegler, would place the U.S. in conflict with its Berne obligations.

> from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.

Article 10(1) is limited to works which have "already been lawfully made available to the public," a concept that is broader than that of "publication." Examples include works that have been broadcast or performed. The W.I.P.O. Guide to the Berne Convention, however, states that "[u]npublished manuscripts or even works printed for a private circle may not, it is felt, be freely quoted from; the quotation may only be made from a work intended for the public in general."[161] A key consideration in this statement is the adjective "freely:" unpublished works may not be "freely" quoted from. This implies that they may be quoted from to some limited extent under limited circumstances. Guidance on those circumstances is provided by the remaining two conditions of Article 10(1): the copying must be compatible with "fair practice," and, the extent of the quotation must not "exceed that justified by the purpose... ."

The concept of "fair practice" is, of course, an Anglo-American one, and is consistent with the provisions of Section 107. The limitation on copying to that which is "justified by the purpose" is a kind of rough amalgam of the first and second factors in Section 107. Discussions of Main Committee I of the Stockholm Conference of the Berne Convention (at which the present wording of Article 10(1) was proposed) reveal that quotations for "scientific, critical, informatory or educational purposes" come within the scope of the Article.[162] Ricketson takes the position that "quotations that are made in historical and other scholarly writing by way of illustration or evidence for a particular view or argument" is also included,[163] a position that provides obvious support for the goals of H.R. 4263 and S. 2370.

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[161]. GUIDE TO THE BERNE CONVENTION 58 (1978)("WIPO Guide").

The amount of the quotation permitted presents well-known difficulties. The conferees at the Stockholm Conference debated this issue at great length. Some of the conferees favored permitting only "short quotations" as contained in the then governing Brussels text of the Convention. In the end, because "quantitative restrictions are notoriously difficult to apply, Main Committee I preferred to leave this as a matter to be determined in each case, subject to the general criteria of purpose and fair practice."[164] Ricketson gives as an example "lengthy quotations from a work, in order to ensure that it is presented correctly, as in the case of a critical review or work of scholarship."[165]

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[162]. RECORDS OF THE STOCKHOLM CONFERENCE at 116-117 (Doc. S/1), 860-861 (minutes)(1967).

[163]. Ricketson, supra, note 153 at 492.

[164]. Id. at 493.

In the opinion of the Copyright Office, existing U.S. case law on fair use is consistent with our obligations under Article 10(1). An amendment that permitted quotation of unpublished works as "freely" as from published works would seem to be subject to challenge, however. Our reading of the floor statements introducing H.R. 4263 and S. 2370 leads us to the conclusion that this was not the sponsors' intent. Fair use is not to be applied "equally" in the case of unpublished works. Rather, the intent of the sponsors is to reverse what is perceived as a per se rule against any fair use of such works. The existing general factors in Section 107 would continue to be applied. These would include, consistent with Article 10(1) of the Berne Convention, consideration of the amount and substantiality of the taking, and the purpose for the taking.

In summary, as we understand the intent behind H.R. 4263 and S. 2370, there does not appear to a facial incompatibility with Article 10(1) of the Convention. It would be helpful, however, to include firm legislative history reviewing the conditions of both Article 10(1) and 9(2) to make clear the bills do not direct the courts to apply fair use in a manner inconsistent with these provisions.

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[165]. Id. The context of this comment does not reveal whether Ricketson was referring only to published works. A reading of the entire section leads me to the belief that he would consider quotation from unpublished works to be more limited, although the matter is admittedly not free from ambiguity.

B. The Uruguay Round of the General Agreement of Tariffs and Trade (GATT)

The United States is presently engaged in an effort to include a code on intellectual property rights in the current Uruguay round of the GATT. A review of the United States GATT proposal leads the Copyright Office to the conclusion that H.R. 4263 and S. 2370 do not contain any provisions inconsistent with our proposal.

C The European Community Directive on Software

As part of the unification of the European market in 1992, the European Community has proposed various harmonizing laws. In the copyright area, the Community has been struggling with a proposed directive on software. Two questions in particular have been raised: (1) the standard of originality for protection; and, (2) whether a decompilation privilege should be included. The second point only is implicated by H.R. 4263 and S. 2370, since the principal defense American law touching on decompilation is fair use.[166] The availability of this defense is hotly contested in the United States. No court has directly addressed a fair use defense of decompilation, although there are conflicting opinions on the issue as raised in other contexts.

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[166]. Simply described, decompilation involves a detailed process of reverse engineering by which one takes the publicly distributed machine-readable form of a computer program, and by a series of electronic and human analyses breaks the machine-

Members of the subcommittees have written to Ambassador Hills to express their concern about the proposed EC directive.[167] In their floor statements introducing S. 2370, Chairman Simon and Senator Leahy noted that the software industry had expressed concern that the bill might have "unintended consequences," or "jeopardize" the protection of source code. Both expressed an intent to reassure the software industry that this will not be the case.[168] Another related concern should be secure tests. These tests are particularly vulnerable to having their utility obliterated by unauthorized use. The courts have, accordingly, been particularly solicitous in protecting these works.[169]

The Copyright Office shares Congress's concern that the

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readable form into a kind of pseudo-source code. Source code is that version of software in which a program is typically written by the computer programmer and frequently contains trade secrets and other information of a sensitive, proprietary nature.

[167]. See February 21, 1990 letter from Chairman Kastenmeier and Mr. Moorhead; February 27, 1990 letter from Chairman DeConcini and Senator Hatch.

[168]. CONG. REC. S. 550 (March 29, 1990).

[169]. See *AAMC v. Mikaelian*, 571 F. Supp. 144, 153 (E.D. Pa. 1983), *aff'd*, 734 F.2d 6 (3d Cir. 1984); *ETS v. Katzman*, 793 F.2d 533, 543 (3d Cir. 1986); *AAMC v. Cuomo*, No. 79-CV-730 (N.D.N.Y. filed Jan. 12, 1990).

existing law regarding these deliberately undisseminated works should not be altered. We would be pleased to work with the subcommittees to ensure that none of the unintended consequences referred to in the floor statements come to pass.

VI. Conclusions

Fair use is an equitable rule of reason, designed to give the courts the flexibility they need to balance the inherent tensions within the Copyright Act. Flexibility does raise other problems, principally a lack of predictable rules. Since fair use decisions are made on an ad hoc basis, it is difficult to formulate general rules, and indeed perhaps in no other area of copyright law is reliance on precedent less helpful. Chairman Kastenmeier noted the dilemma in legislating in this area in his floor statement introducing H.R. 4263:

> We want fair use to be broadly defined so that judges can apply it to fit the facts of a particular case. Yet the laws must also give citizens a concrete idea of what is permissible behavior and what is not.[170]

Judge Leval, who has certainly had a stronger dose of fair use problems than any of us,[171] observed that "[w]e should not adopt a clear standard unless it were a good one - and we don't have a good one."[172] Of course, Judge Leval was speaking before the introduction of H.R. 4263 and S. 2370, and it is the Copyright Office's understanding that he supports the bills as drafted.

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[170] CONG. REC. H806 (daily ed. March 14, 1990).

Nevertheless, it is hard to discern how the bills facially would accomplish the goals set forth by their sponsors, since nothing in the current statute prohibits the application of fair use to unpublished works. Nor do any of the court decisions prohibit *any* use of unpublished works. There is certainly a dispute over the scope of the availability of fair use to unpublished works, but the bills do not address this issue. Nor do the bills make a distinction between the different types of unpublished works, an omission that, in fact, may be a strength since the bills would permit the courts to apply the doctrine on a case-by-case basis. Finally, despite Chairman Kastenmeier's intent that H.R. 4263 give the courts sufficient flexibility about whether injunctive relief is appropriate,"[173] nothing in the bill addresses this issue.

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[171] See Leval, *Fair Use or Foul?*, 36 J. COPR. SOC'Y 167, 168 (1989)("It has been exhilarating to find myself present at the cutting edge of the law, even though in the role of the salami").

[172] Id. at 180.

[173] Kastenmeier floor statement, *supra*, note 170.

Of course, some of these questions may be dealt with in legislative history, but there are risks with this approach since some justices of the Supreme Court and some court of appeals judges have expressed great reluctance to look at legislative history.[174]

What other alternatives are there? First, Congress could do nothing and let the courts evolve their approach to the issue. There is considerable evidence that the Second Circuit has moved away from some of the language in Salinger and New Era that initially caused alarm. The recent New Era v. Carol Pub. case is also evidence, perhaps, of a more favorable attitude toward fair use generally, even though it technically applies only to published works. And, the extraordinary effort of the judges on the Second Circuit and of Judge Leval in making public their concerns in lectures, articles, and testimony today is impressive evidence of judicial responsiveness. Yet, some of the troublesome language in the Salinger and New Era opinions remains the law of that circuit, and the Copyright Office believes that the concerns of authors and publishers over that language is well-placed, if only because of the lack of predictability in the law.

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[174]. See Statutory Interpretation and the Uses of Legislative History: Hearings Before the Subcommittee on Courts, Intellectual Property and the Administration of Justice (April 18, 1990).

The Copyright Office is aware of the counter-argument that only one circuit has spoken on the issue. Yet, the Second Circuit is not just another circuit in this area of the law, and given the nationwide distribution of literary property and the liberal venue rules in the Copyright Act, it would not be difficult for plaintiffs in many cases to forum shop and pick the Second Circuit. A number of current cases awaiting trial in the Southern District of New York on this issue attest to this fact.

A second alternative would be to incorporate Judge Miner's suggestion that Section 107 be amended to permit fair use of technically unpublished but voluntarily disseminated works on a more liberal basis. This argument has some appeal since it also protects authors who wish their works to remain undisseminated. The proposal is, however, contrary to the position of those who argue that fair use should be available to some extent even for voluntarily undisseminated works whose contents are of great public interest.

Yet another alternative would be to amend the fair use factors, perhaps by including the "published or unpublished" language in the second factor. This alternative suffers from the same problems (or shares the strength of) H.R. 4263 and S. 2370: facially, it does not tell the courts how to treat cases any differently than they presently do, absent reliance on legislative history.

The Copyright Office believes that the legislative process of addressing the fair use problems raised by the Salinger and New Era opinions is at an initial stage. You will hear today from a wide variety of expert witnesses who will, no doubt, provide you with much to contemplate. If, after hearing the witnesses and reviewing the written comments, the subcommittees conclude that the prevailing decisions have severely restricted the flexibility necessary to make fair use determinations in accordance with the goals of the Copyright Act, and that a legislative solution is preferable to continued case law development, the Copyright Office can support appropriately drafted legislation.

Senator **DeConcini**. Our first panel will be the Honorable James Oakes, Chief Judge, U.S. Court of Appeals for the Second Circuit; Hon. Roger Miner, judge, U.S. Court of Appeals for the Second Circuit; and Hon. Pierre Leval, judge, U.S. District Court for the Southern District of New York.

Gentlemen, we want to first thank you for taking the time to be with us, Your Honors. We realize you have a busy calendar, but you can be very helpful here. So we will start with you, Judge Oakes. Your full statements will appear in the record, and if you would summarize them for us, we would be most appreciative.

PANEL CONSISTING OF HON. JAMES L. OAKES, CHIEF JUDGE, U.S. COURT OF APPEALS FOR THE SECOND CIRCUIT; HON. ROGER J. MINER, JUDGE, U.S. COURT OF APPEALS FOR THE SECOND CIRCUIT; AND HON. PIERRE LEVAL, JUDGE, U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Judge **Oakes**. Thank you, Senator DeConcini and Representative Kastenmeier, Representative Berman. I am honored to be invited to testify before you. I support this legislation and I do so because I think that some of the language in the opinions of our court, as well as in the *Harper and Row* case, have gone a little far in indicating to the publishing world, authors and publishers alike, that there is no fair use doctrine applicable to unpublished works.

I think that while, in the votes in reference to rehearing in our *New Era* case, both the author of the opinion in the *Salinger* case, Judge Newman, and the author of the majority opinion in the *New Era* case, Judge Miner, indicated that their language was to be qualified, nevertheless—and you will hear from the publishers and authors later, I think that out there, at least in the second circuit which is, after all, the center of the publishing business in this country and has been—that there is a certain chill.

I'm sure that the committee is aware of Arthur Schlesinger, Jr.'s, article in the Wall Street Journal which tends to indicate that chill, and others have written on the subject accordingly. I think the beauty of this legislation is that it doesn't go too far by saying that necessarily the use of unpublished works is to be entitled to the same protection as the use of published works.

All it does is say that the basic four factors involved in fair use—nonexclusive factors to be sure—are applicable to unpublished as well as to published works. It takes away, as I see it, the statement, in *Harper and Row* as well as some of the language in our courts' opinions, that would indicate that unpublished works are entitled to no protection.

So it is for that reason that the legislation would tend to reassure authors, publishers and the publishing community that a certain use of unpublished works is permissible under certain circumstances and would, also, not take away from the courts by having rigid language that would impel a finding in a given case, that this legislation at this time, and in this place, is sound legislation.

Therefore, I am here to support it.

[Chief Judge Oakes submitted the following material:]

Statement of James L. Oakes

at the

JOINT HEARING

of the

House Committee on the Judiciary
Subcommittee on Courts, Intellectual Property
and the Administration of Justice

Re: H.R. 4263

- and -

Senate Committee on the Judiciary
Subcommittee on Patents, Copyrights and Trademarks

Re: S. 2370

I write, and will speak, to the Subcommittees as Chief Judge of the Second Circuit Court of Appeals, of which I have been a member for twenty years. The Second Circuit, as you know, includes New York City, which remains the publishing capital of the world. As such, we probably have as many copyright cases as any other circuit and indeed have sometimes been considered the critical copyright court. Since the time I was a law clerk to Judge Harrie Chase on the old Learned Hand court in the late 1940s, I have been fascinated with the law of copyright. When I was in private practice I unsuccessfully argued a case before the Second Circuit, *Brattleboro Publishing Co. v. Winmill Publishing Corp.*, which I have to confess I still think was incorrectly decided.

Which brings me to another case or two (or three) that I think were wrongly decided in my court and involve the doctrine of fair use as set forth in the copyright statute, 17 U.S.C. § 107, which H.R. 4263 and S. 2370 would amend. In the first such case, *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 723 F.2d 195 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985), the Second Circuit held that, in the interests of free speech, the Nation magazine did not violate the copyright on President Ford's soon-to-be-published memoirs when it published an article that included excerpts from the portion of the book describing the pardon of President Nixon. I feel that the case was wrongly decided in our court, and in properly reversing it the Supreme Court, as reversing courts are wont to do, rather overwrote the protections the law provides for unpublished works.

The second case, *Salinger v. Random House, Inc.*, 811 F.2d 90, *reh'g denied*, 818 F.2d 252 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987), went too far the other way. Using the language of *Harper & Row*, it extended full copyright protection to unregistered letters that a recluse author had written to friends and acquaintances, who subsequently gave the letters to public libraries where they were available for all to see. Even the distinguished author of our court's opinion had to qualify the language of the *Salinger* opinion. *See* Newman, *The End of History: The Second Circuit Struggles with Fair Use*, 37 J. Copyr. Soc. 12 (1989); *New Era Publications Int'l v. Henry Holt & Co.*, 884 F.2d 659, 662, 663 n.1 (dissent from denial of petition for rehearing en banc).

The third case carried the language of the Supreme Court in *Harper & Row* and the holding of our court in *Salinger* to the ultimate extreme. I speak, of course, of *New Era Publications Int'l v. Henry Holt & Co.*, 873 F.2d 576, *reh'g en banc denied*, 884 F.2d 659 (2d Cir. 1989), *cert. denied*, 110 S. Ct. 1168 (1990). Arguably, the harmful language of the *New Era* opinion is dictum. I referred to it as such in my concurring opinion, and the author of the opinion (who was also a member of the *Salinger* panel and is, I understand, one of your witnesses) has himself referred to it as "nondispositive language," 884 F.2d at 660, and as "dictum," Miner, *Exploiting Stolen Text: Fair Use or Foul Play?*, 37 J. Copyr. Soc. 1, 6 (1989). Nevertheless, the mere presence of the language has had a chilling effect upon the publishing world. You are, of course, aware of Arthur Schlesinger, Jr.'s piece in the Wall Street Journal. No doubt if you were to call as a witness James "Scotty" Reston, who is writing a biography of President Johnson, he would describe his problems with the publishing-house lawyers over the use of a significant but now unreferred-to letter from a living public figure to the late LBJ.

But getting past the publishing-house lawyers is one thing. After all, with enough pay and the risk wholly on the author, they probably will approve the use of a few unpublished words despite *Harper & Row*, *Salinger* and *New Era*. (But certainly not *many* words!) The catch is that the author must obtain the consent of the speaker or writer in order to use even minimal amounts of their words, and *there* is the rub!

Would Howard Hughes have given his consent to a biography that was in the slightest bit critical? How about Frank Sinatra? Of course not. The three opinions I cited and the language they contain effectively put critical biographers and current historians out of the business of using direct quotations to illustrate a point, a characteristic or quality, or other critical matter. And it must not be forgotten that the use of direct quotations often provides an author's *only* means of expression. The opinions remain controlling despite a recent, second *New Era* case, *New Era Publications Int'l v. Carroll Publishing Co.* (2d Cir. May 24, 1990), which found fair use of quotations in criticizing the subject's character because it related solely to *published* materials.

So I come down strongly in favor of H.R. 4263 and S. 2370. They will send out a message to the publishing world, the lawyers, and the authors that, yes, unpublished as well as published works are subject to the same standards of fair use that have stood the copyright world in good stead since Justice Story's *Folsom v. Marsh*. These standards are, of course, already incorporated in the statute (purpose of the use; nature of the copyrighted work; amount and substantiality of the taking; and economic harm). Unpublished works should not be entitled to any different treatment than published works.

JAMES L. OAKES, Chief Judge
U. S. Court of Appeals
Brattleboro, Vermont 05301-0696

Family: Married Evelena Stevens Kenworthy, December 29, 1973. Children, Cynthia Oakes Hamilton, March 3, 1948; Elizabeth H. Oakes, April 21, 1951; James L. Oakes, Jr., June 15, 1955.

Harvard College, 1945, A.B. cum laude (American History and Literature)
Harvard Law School, 1947, LL.B. cum laude (Member, Board of Editors, Book Review and Articles Editor, Harvard Law Review)

Admitted to California Bar, 1949
Vermont Bar, 1950

1947-48 Law Clerk, Hon. Harrie B. Chase, United States
1949-50 Court of Appeals, Second Circuit

1948-49 Associate, McCutchen, Thomas, Matthews, Griffith & Greene, San Francisco, California

1950-64 Partner, Gannett & Oakes, Brattleboro, Vermont
1964-66 Partner, Gannett, Oakes & Weber, Brattleboro, Vermont

State Offices: Member, Commission on Procedural Revision, 1957-59; Counsel, Vermont Statutory Revision Commission, 1957-59; Special Counsel, Vermont Public Service Board, 1959-60; Senator, Windham County, 1961-63, 1963-65; Board of Bar Examiners, 1965-69; Attorney General of Vermont, 1967-69.

1969-4/1970 Private practice, Brattleboro, Vermont

5/1970-5/1971 Judge, U. S. District Court for the District of Vermont

5/1971- Judge, U. S. Court of Appeals, Second Circuit (Chief Judge, January 1, 1989)

Other: Duke University School of Law, Adjunct Professor (First-Year Ethics), 1985-89; Member, Institute of Judical Administration, American Law Institute, American Judicature Society, American Bar Foundation; Visiting Committee to Visit Harvard Law School, 1969-75; Past President, Vermont Bar Association and Vermont Trial Lawyers Association; LL.D. (honorary), New England College 1976, Suffolk University 1980.

Supplementary Statement of James L. Oakes

to the

House Committee on the Judiciary
Subcommittee on Courts, Intellectual Property and the Administration of Justice

Re: H.R. 4263

- and -

Senate Committee on the Judiciary
Subcommittee on Patents, Copyrights and Trademarks

Re: S. 2370

Following the July 11, 1990, Joint Hearing, I felt I should submit a supplemental statement in the light of questions asked and the testimony given after the panel consisting of Judges Miner, Leval and yours truly had concluded. I would make two points:

1. The second statutory fair use factor, "the nature of the copyrighted work," seemed to be treated in the Nation, Salinger, and New Era cases as if the only question involved was whether the work was published or unpublished. I suggest, to the contrary, that the nature of the work is better viewed from three other, broader perspectives.

The first perspective from which one might look at the nature of the work is in terms of the type of work that it is. Thus, the question that would be asked is whether it is a book, a letter, a diary, a memorandum, a note, a scrap of paper, a shopping list?

The second perspective is that of subject matter. If we are talking about a book, is it scientific, artistic or legal? Is it a gazetteer, a grammar, a series of maps? Is it an arithmetic, an almanac, a cyclopedia, an itinerary? Is it fiction, history, biography? Is it a play or a musical? Is it a photo?

And the third perspective from which the nature of the work might be viewed from is the intent of the author and whether the work was written for possible publication or not.

I think this is what the statutory term "the nature of the copyrighted work" refers to. In Webb v. Powers, 29 F. Cas. 511, 516 (C.C.D. Mass. 1847) (No. 17,323), Circuit Justice Woodbury said in discussing a fair use case, "Again, there is much discrimination to be used in inquiries of this character, between different kinds of books, some of which, from their nature, cannot be expected to be entirely new." Judge Leval has carefully set out this theory of the nature of the work in his Harvard Law Review commentary. See Leval, Toward a Fair Use Standard, 103 Harv. L. Rev. 1105, 1116-22 (1990). Bearing this point in mind, whether or not the material being copied is published or unpublished is but a small factor in determining the nature of the work (unless the material being copied was created for or is on its way to publication, as in the Nation case). Thus, the enactment of the proposed amendment would in no way render the inquiry as to the nature of the work moot. I believe that this addresses itself to several of the questions asked of others by Representative Berman.

2. It did not seem to me that anyone testifying adequately responded to or, perhaps, was asked to respond to the contention by Barbara Ringer and others that the Berne Convention would somehow be violated by the enactment of the proposed amendment. While I do not profess to be an expert on the Berne Convention, I would refer the Subcommittees to pages 51 to 60 of the statement of Ralph Oman, Registrar of Copyrights and Assistant Librarian for Copyright Services, where he concludes that there is not a facial incompatibility with the Berne Convention. Mr. Oman also makes the suggestion that it would be helpful to include firm legislative history reviewing the conditions of both Articles 10(1) and 9(2) to make it clear that the amendment does not require courts to apply fair use in a manner inconsistent with the articles' provisions.

I appreciate this opportunity to clarify these matters.

UNITED STATES COURT OF APPEALS
SECOND CIRCUIT

CHAMBERS OF
JAMES L. OAKES
CHIEF JUDGE
BRATTLEBORO, VERMONT 05302-0696

December 12, 1990

Senator Paul Simon, Chairman
Subcommittee on the Constitution
United States Senate
Washington, DC 20510-6275

Dear Senator Simon:

I have been unable to reply to your letter of October 23 until now. Sorry. I hope it is not too late.

I would respond to Senator Leahy's questions as follows:

1. Since New York is the center of the publishing world in the United States, the Second Circuit decisions on Copyright and Fair Use essentially govern the actions of authors and publishers and guide their lawyers. Moreover, in this area of the law, other circuits as well as the leading Nimmer treatise seem to follow the Second Circuit very closely. Therefore, we would not be better off waiting to hear from other circuits. I think it highly unlikely that the Supreme Court would take another one of these cases at this time.

2. I do not think that the present law as construed in the Second Circuit provides adequate protection to historians or biographers since it is very often necessary for them to quote in order to bring out a trait of character or a significant historical point.

3. I agree that the result in Salinger seems more palatable than the result in New Era, and for the very reason stated in the question, but only implicit in the Salinger case as follows: as a person who is alive and is extremely jealous of his privacy, J. D. Salinger's rights seemed somewhat more infringed than did L. Ron Hubbard's, he being deceased. The Fair Use law does not take this distinction into account, though I

think it could do so. See Judge Newman's article, "Copyright Law and the Protection of Privacy," 12 Colum. J.L. & Arts 459, 460 n.2 (1988).

4. I do not take issue with the result in the Nation case as there the publication of the extract from the Ford autobiography substantially affected its salability. The Salinger case is I think much more doubtful by virtue of the fact that the letters that were quoted had been given to libraries. I do think that the language of the Nation case was overstated and the language of the Salinger case, as the author of the opinion subsequently admitted, see 884 F.2d 659, 663 n.1, was misleadingly broad.

5. I think that a more narrowly drawn bill would assist in solving the problems now faced by writers and publishers and do not see any problems with such an approach.

6. I have a problem with the different alternative relating to academic research, criticism, biography or history because it will be difficult to say in a given instance whether that is what is involved. Indeed, the New Era case was an expose of L. Ron Hubbard, and while it involved a little bit or a lot of research, criticism, biography and history, it might not neatly fit into any one of those categories.

In response to Senator Hatch's questions I have the following to say:

1. The pending legislation (S. 2370/H.R. 4263) would, if enacted, I think cause the courts to say that the unpublished nature of the work will continue to be a factor but probably would not be the sole determinative element as Salinger and New Era seem to have made it.

2. Thus, I favored and still favor the pending legislation as prospectively giving the courts a peg to hang their hats on in weakening the harsh effects of Salinger and New Era.

3. I do not think that this would mean that the

publisher enjoined in the Salinger case would in theory be permitted to publish the letters that were the subject of the earlier lawsuit, but that he would feel freer in publishing some of them.

4. An amendment to Section 107 of the Copyright Act noting that no single factor, including whether the copyright work is unpublished, shall be given preclusive effect would be helpful as I have said above in response to Senator Leahy's question 5.

5. I am not sure that I understand what this question is saying, but if the author has granted access to an unpublished work on condition that it not be published without the permission of the author, it might be helpful to scholars but certainly would tend to sanitize biographies and tone down exposes.

Again I apologize for not having gotten this to you sooner.

Sincerely yours,

James L. Oakes
Chief Judge

mfr

cc: Senator Patrick J. Leahy
Senator Orrin G. Hatch

Senator DeConcini. Thank you, Judge Oakes. Judge Miner?

STATEMENT OF JUDGE MINER

Judge Miner. Senator DeConcini, distinguished members of the committee, the addition of the words "whether published or unpublished" to section 107 of title 17, the fair use statute, is unnecessary if intended to permit fair use of unpublished material, incompatible with the existing statute if intended to afford equal dignity to published and unpublished matter, and ineffective to resolve the policy concerns articulated by the sponsors.

The amendment is unnecessary if its only purpose is to permit fair use of unpublished material. The present statute permits fair use of unpublished material. It allows the fair use of any copyrighted work, although the nature of the work is one of the fair use factors to be considered. The other factors, of course, are purpose and character of the use, the amount and substantiality of the portions used, and the effect of the use upon the potential market. No court ever has said that the unpublished material cannot be the subject of fair use.

Read in the context of section 107 as it stands, the amendment appears to be intended to raise unpublished material to the level of published material in the application of fair use doctrine. If this is the intention of the amendment, then the amendment is inconsistent with the fair use factor just referred to, the nature of the work.

This factor tells us that there is an important distinction between published and unpublished works, and the courts have offered far less fair use protection to unpublished works. The important reason for the distinction lies in the right of an author to control the first public appearance of her or his work. Even in its present form, the statute allows fair use of an unpublished work stolen from an author. The amendment indicates no disapproval of such a use.

The concerns of the sponsors relate to the stringent restrictions imposed by the courts on the use of unpublished material by historians, researchers and biographers. An examination of court decisions reveals that the unpublished material nature of a work has been a key factor in defeating fair use doctrine claims.

The recently ratified Berne Convention seems to set up another barrier against the fair use of unpublished material. Nevertheless, there seems to be no reason to allow the heirs of historical figures, long departed, to forestall the use of material created generations earlier but recently discovered by a scholar conducting research in some remote archive. The solution to that, the problem does not lie in this bill.

I propose a solution that is compatible with the provisions of the Berne Convention, that would eliminate the difficulties encountered by courts in deciding fair use claims involving unpublished works, and that would accommodate the needs of scholars to gain access to material of historical and public interest.

I would limit fair use to published and publicly disseminated materials. I would define, in the statute, publicly disseminated material to include any letters sent without a requirement of confidentiality and any documents, including letters, that have been in existence for a certain period of years without having been copyrighted.

For the rest, I would rely on the freedom of access to facts and ideas contained in the undisseminated material. In this way, the balance between the rights of authors and the rights of society would be maintained.

Thank you.

[Judge Miner submitted the following material:]

SUMMARY OF STATEMENT OF HON. ROGER J. MINER
TO BE SUBMITTED AT JOINT HEARING ON JULY 11, 1990

The addition of the words "whether published or unpublished" to section 107 of Title 17, the "fair use" statute, is unnecessary, if intended to permit fair use of unpublished material; incompatible with the existing statute, if intended to afford equal dignity to published and unpublished matter; and ineffective to resolve the policy concerns articulated by the sponsors. The amendment is unnecessary if its only purpose is to permit fair use of unpublished material. The present statute allows the fair use of any copyrighted work, although the nature of the work is one of the fair use factors to be considered. The other factors are purpose and character of the use; the amount and substantiality of the portions used; and the effect of the use upon the potential market. No court ever has said that unpublished material cannot be the subject of fair use.

Read in the context of section 107 as it stands, the amendment appears to be intended to raise unpublished material to the level of published material in the application of fair use doctrine. If this is the intention of the amendment, then the amendment is inconsistent with the fair use factor just referred to, the nature of the work. This factor tells us that there is an important distinction between published and unpublished works, and the courts have offered far less fair use protection to unpublished works. The important reason for the distinction lies in the right of an author to control the first public appearance of his or her work. Even in its present form, the statute allows fair use of an unpublished work stolen from an author. The amendment indicates no disapproval of such a use.

The concerns of the sponsors relate to the stringent restrictions imposed by the courts on the use of unpublished material by historians, researchers and biographers. An examination of court decisions reveals that the unpublished nature of a work has been a key factor in defeating fair use claims. The recently-ratified Berne Convention seems to set up another barrier against the fair use of unpublished material. Nevertheless, there seems to be no reason to allow the heirs of historical figures long departed to forestall the use of material created generations earlier but recently discovered by a scholar conducting research in some remote archive. The solution to that problem does not lie in this bill.

I propose a solution that is compatible with the provisions of the Berne Convention, that would eliminate the difficulties encountered by courts in deciding fair use claims involving unpublished works, and that would accommodate the needs of scholars to gain access to material of historical and public interest. I would limit fair use to published and publicly disseminated material. I would define publicly disseminated material to include any letters sent without a requirement of confidentiality and any documents, including letters, that have been in existence for a certain period of years without having been copyrighted. For the rest, I would rely on the freedom of access to facts and ideas contained in the undisseminated material. In this way, the balance between the rights of authors and the rights of society would be maintained.

PREPARED STATEMENT OF HON. ROGER J. MINER
UNITED STATES CIRCUIT JUDGE
UNITED STATES COURT OF APPEALS
SECOND CIRCUIT, TO BE PRESENTED AT A JOINT HEARING OF THE HOUSE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE ADMINISTRATION OF JUSTICE, THE SENATE SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS AND THE SENATE SUBCOMMITTEE ON THE CONSTITUTION

WEDNESDAY, JULY 11, 1990

I am happy to accept your invitation to comment on H.R. 4263 and S. 2370, identical bills providing for the amendment of section 107 of Title 17 of the United States Code, the "fair use" statute. The amendment merely would add the words "whether published or unpublished" following the phrase "fair use of a copyrighted work." The bills are driven by concerns arising from recent court decisions said to unduly restrict the use of unpublished, copyrighted material. I am the author of one of those decisions. One sponsor has expressed the hope that the proposed legislation will "forestall the adoption of a broad and inflexible rule against fair use of unpublished material."

The perception here seems to be that there is a court-fueled trend toward depriving scholars and historical researchers of the use of letters, diaries and other unpublished writings vital to their work. According to the House sponsor, the "amendment would clarify that section 107 applies equally to unpublished as well as published works." If that is its purpose, it is inconsistent with the unamended portion of section 107. I respectfully suggest, moreover, that the fair use doctrine cannot and should not be applied to published and unpublished material equally. I think that the statement should be amended to limit fair use to published and publicly disseminated works, a proposal advanced in my article: Exploiting Stolen Text: Fair Use or Foul Play in the October 1989 issue of the Journal of the Copyright Society of the U.S.A. With an appropriate definition of "publicly disseminated" added to the statute, the concerns of the sponsors would be allayed, the purposes of the fair use doctrine would be fulfilled, and societal interests would be served.

It is important first to examine what fair use is and what it is not. Fair use, known as fair abridgement in early English law, permits the limited use of a copyrighted work without liability for infringement of the copyright. It has been characterized as an equitable rule of reason and is necessary for such purposes as criticism, comment, news reporting, teaching, scholarship and research. Fair use is not a doctrine to be invoked in order to gain access to facts and ideas embodied in copyrighted work, because the protection of copyright does not extend to facts and ideas. It extends only to expression. There thus is struck, in the words of the Supreme Court, "a definitional balance between the First Amendment and the Copyright Act." Fair use, then, is a limited right to use the expression of another. Whether a use is fair is largely committed to the judgment of the courts, broadly guided by the factors set out in section 107 of Title 17.

I suggest that the proposed amendment to section 107 bears close examination in light of the second fair use factor, which remains undisturbed by the amendment. That factor, the nature of the copyrighted work, requires the courts to take into account whether the work is published or unpublished. History and precedent tell us that the scope of fair use is narrower in the case of an unpublished copyrighted work than it is in the case of a published copyrighted work. The amendment seems to offer equal dignity to both types of works and therefore is inconsistent with the present application of the fair use doctrine. One can only guess at the confusion that would be engendered by the co-existence of these incompatible provisions.

If the purpose of the bill is simply to assure that fair use can be made of unpublished copyrighted material, it is unnecessary. Fair use of unpublished material already is permitted. Section 107 allows the fair use of any copyrighted work although, as previously noted, the nature of the work is a factor to be considered by the courts in applying the doctrine. Also to be considered, of course, are the other three statutory factors: the purpose and character of the use, the amount and substantiality of the portions used, and the effect of the use upon the potential market.

There is some indication in the legislative history of section 107 of an intention to restate existing fair use doctrine and not to change it in any respect. A persuasive case can be made that the then existing doctrine prohibited the fair use of unpublished but not voluntarily disseminated works. The statute as enacted did not make the distinction, leaving it to the courts to weigh the unpublished nature of the work in the fair use balance. For good reason, the courts have chosen to afford far less fair use protection to those who use unpublished material then to those who use published material. It is, after all, an author's right to control the first public appearance of his or her work. An author must have the right to refine, revise and discard a work prior to publication. The ability of an author to withhold a work from public dissemination just as long as he or she deems it proper to do so implicates notions of privacy, freedom to refrain from speaking and control of material. At bottom here is a substantial property interest.

Essential to an understanding of the effect of the proposed amendment is the fact that the unpublished material for which a claim of fair use is made sometimes is stolen material. In Harper & Row v. Nation Enterprises, the leading case on fair use, the Supreme Court spoke of the exploitation of a "purloined manuscript," the manuscript being the memoirs of President Gerald Ford. In Salinger v. Random House, the biographer gained access to certain letters written by J.D. Salinger lodged in a library by promising not to copy them. New Era Publications v. Henry

Holt and Co. involved the use of the writings of L. Ron Hubbard apparently acquired from the Church of Scientology by misappropriation or conversion. There is nothing in the present statute or in the cases interpreting it to indicate that purloined material cannot be the subject of fair use. That the exploited text is stolen simply is not a factor to be considered in applying the fair use doctrine under section 107 as it stands. The amendment proposed, which seeks only to elevate the status of unpublished material, does nothing to rectify this situation and actually exacerbates it.

The concerns of historians and researchers in regard to the stringent restrictions on the use of unpublished material is understandable. It is especially understandable to me, because my wife is an historian who has undertaken considerable original research. Although no court has said that unpublished material never can be the subject of fair use, it is clear that the unpublished nature of a work is a key factor in defeating a fair use claim. It makes no sense, however, to allow the heirs of historical figures long departed to forestall, by the simple expedient of obtaining a copyright, the use of material created generations earlier and discovered in some remote archive by a scholar researching original sources. The solution to the problem thus posed is not, in my view, to elevate unpublished works to equal standing with published works in the fair use analysis. As I have demonstrated, such an approach would encourage the use of purloined material, deprive authors of important rights and encroach upon interests that should be protected. Moreover, the recently-ratified Berne Convention seems to exclude the use of unpublished material altogether. It allows only "quotations from a work which already has been made available to the public, provided that their making is compatible with fair practice."

I propose a solution that is compatible with the provisions of the Berne Convention, that would eliminate the difficulties encountered by courts in deciding fair use claims involving unpublished works, and that would accommodate the needs of scholars to gain access to material of historical and public interest. I would limit fair use to published and publicly disseminated material. I would define publicly disseminated material to include any letters sent without a requirement of confidentiality and any documents, including letters, that have been in existence for a certain period of years without having been copyrighted. For the rest, I would rely on the freedom of access to facts and ideas contained in the undisseminated material. In this way, the balance between the rights of authors and the rights of society would be maintained.

It always should be remembered, as the Supreme Court has reminded us, that "[b]y establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas." It also should be recognized that strict application of the copyright law could defeat incremental progress, to the detriment of the public good. The fair use doctrine was designed to avoid that result.

ROGER J. MINER
Circuit Judge
United States Court of Appeals
Second Circuit

Albany Chambers:
U.S. Courthouse
Box 858
Albany, New York 12201
Telephone: (518) 472-2460

New York City Chambers:
U.S. Courthouse, Room 426
Foley Square
New York, New York 10007
Telephone: (212) 791-9108

EXPERIENCE:

Judge, U.S. Court of Appeals, Second Circuit (1985-present); Judge, U.S. District Court, Northern District of New York (1981-1985); Justice, New York State Supreme Court, Third Judicial District (1976-1981); District Attorney, Columbia County (1968-1975); Assistant District Attorney, Columbia County (1964); Corporation Counsel, City of Hudson (1961-1964); Partner, Miner & Miner, Hudson, New York (1959-1975); Adjunct Professor of Law, New York Law School (1986-present); Lecturer, State University of New York at Albany, Graduate Program in Court Systems Management (1985); Adjunct Associate Professor, Faculty of Criminal Justice, Columbia Greene Community College, State University System (1974-1979); Lecturer, New York State and local Bar Associations; Trial and Appellate Moot Court Judge for various law schools and U.S. Attorney General's Advocacy Institute; Lecturer, Education Programs for local police agencies.

EDUCATION:

New York Law School -- LL.B. cum laude, 1956
Managing Editor, Law Review
Moot Court Team
Nathaniel L. Goldstein Award for Excellence in Constitutional Law
Law Forum Association Award

Emory University Law & Economics Institute for Federal Judges; Judge Advocate General's School, University of Virginia (military law program); Brooklyn Law School (Graduate Studies); Columbia College; State University of New York (B.S.).

MILITARY SERVICE:

U.S. Army (1956-1959) -- First Lieutenant, Judge Advocate General's Corps; Active duty in Japan and Korea; Commendation Medal; Honorably discharged from Army Reserve in 1964 with rank of Captain, JAGC.

BAR ADMISSIONS:

New York (1956); U.S. Court of Military Appeals (1956); Republic of Korea (1958); U.S. District Courts, Southern and Eastern Districts of New York (1959).

AWARDS & HONORS:

LL.D Syracuse University; LL.D. New York Law School; Charles W. Froessel Award for Valuable Contribution to the Law; New York Law School Alumni Association -- Distinguished Alumnus Award; New York Law School Dean's Medal for Distinguished Professional Service; New York Law School Law Review -- Dedication of 30th Volume (30 N.Y.L. Sch. L. Rev. 693 (1985)); Albany Jewish Federation Award; Columbia County Man of the Year 1984; Abraham Lincoln Award; Outstanding Elk Award; Kiwanis Award for Community Service; Rotary Club, Police Officers, and County Magistrates Awards; Who's Who in American Law; Who's Who in America.

OFFICIAL COMMITTEES:

Judicial Conference of the United States, Committee on Federal-State Jurisdiction; Chairman, State/Federal Judicial Council of New York; Second Circuit Committee on the Bicentennial of the United States Constitution; Chairman, Second Circuit Historical Committee; Chairman, Subcommittee on the 100th Anniversary of the United States Court of Appeals, Second Circuit; Northern District Historical Committee (1981-1985).

PROFESSIONAL ORGANIZATIONS:

American Law Institute; American Bar Association; New York State Bar Association; American Judicature Society; American Society of Writers on Legal Subjects (Scribes); Federal Judges Association; Federal Bar Council; Association of Trial Lawyers of America; Association of the Bar of the City of New York; Columbia County Bar Association; New York Supreme Court Justices Association (1976-1981); Association of Trial Judges, Third Judicial District (1979-1981); New York District Attorneys Association (1968-1975); National District Attorneys Association (former member); President, Albany Law School American Inn of Court (1987-1988); New York State Trial Lawyers Association; Columbia County Magistrates Association.

OTHER ORGANIZATIONS:

Supreme Court Historical Society; Columbia County Historical Society; New York Law School Alumni Association (honorary director); United Way of Columbia County (former director); Isaiah Lodge B'nai B'rith; Congregation Anshe Emeth; Temple Israel; Hudson Lodge of Elks (past exalted ruler); National Lawyers Club.

PUBLICATIONS:

"Exploiting Stolen Text: Fair Use or Foul Play," 37 J. Copyright Soc'y 1 (1989), reprinted in AIPLA Bull. 37 (Oct.-Nov. 1989);
"Confronting the Communication Crisis in the Legal Profession," 34 N.Y.L. Sch. L. Rev. 1 (1989);
"Appellate Practice in the United States Court of Appeals for the Second Circuit," N.Y. St. B.A. Comm. on Continuing L. Educ., Appellate Practice Coursebook (Fall 1989, Fall 1988);
"The Consequences of Federalizing Criminal Law," 4 Crim. Just. 16 (Spring 1989) (ABA Journal of the Section of Criminal Justice);
"Federal Criminal Appellate Practice in the Second Circuit," N.Y. St. B.A. Comm. on Continuing L. Educ., Federal Court Practice Coursebook (Spring, 1989, Spring 1988);
"Lawyers Owe One Another," Nat'l L.J., Dec. 19, 1988, at 13, col. 1;
"The Don'ts of Oral Argument," 14 Litigation 3 (Summer 1988) (ABA Journal of the Section of Litigation);
"The Tensions of a Dual Court System and Some Prescriptions for Relief," 51 Alb. L. Rev. 151 (1987) (11th Annual Lewis H. Case Memorial Lecture);
"Should Lawyers be More Critical of Courts?," Judicature 134 (1987), reprinted in Trial, May 1988, at 82 & Case & Comment, May-June 1988, at 40;
"Federal Courts, Federal Crimes, and Federalism," 10 Harv. J.L. & Pub. Pol'y 117 (1987);
"Preemptive Strikes on State Autonomy: The Role of Congress," 99 The Heritage Lectures (1987);
"Federal Civil Appellate Practice in the Second Circuit," N.Y. St. B.A. Comm. on Continuing L. Educ., Federal Court Practice Coursebook (Spring 1987);
"Federal Courts at the Crossroads," 4 Const. Commentary 251 (1987);
"Research in Judicial Administration: A Judge's Perspective," 12 Just. Syst. J. 8 (1987);
"Trials and Federal Rules of Evidence," N.Y. St. B.A. Comm. on Continuing L. Educ., Federal Court Practice Coursebook (Spring 1986);
"Victims and Witnesses: New Concerns in the Criminal Justice System," 30 N.Y.L. Sch. L. Rev. 757 (1985);
"A Judge's Advice to Today's Law Graduates," N.Y. St. B.J., Nov. 1985, at 6;
"The United States District Court for the Northern District of New York -- Its History and Antecedents," Federal Bar Council, Second Circuit Redbook (Supp. 1984-1985);
Book Review, N.Y. St. B.J., July 1984, at 47 (reviewing The Remarkable Hands (H. Nelson ed. 1983));
"Handling the Social Security Disability Case -- The View from the Bench," N.Y. St. B.A. Comm. on Continuing L. Educ., Federal Court Practice Coursebook (Winter 1983);
"Magistrates as Defendants in Federal Court," The Magistrate, Winter 1982, at 11.

RESPONSES OF U.S. CIRCUIT JUDGE ROGER J. MINER TO QUESTIONS OF SENATOR ORRIN G. HATCH:

1. While it would not be proper for me to speculate on how courts would interpret section 107 of the Copyright Act as amended by S. 2370/H.R. 4263, I believe that the proposed amendment would engender considerable confusion. Although the amendment seems to offer equal dignity to published and unpublished works for fair use purposes, the nature of the work (whether published or unpublished) remains as a factor in the fair use analysis, along with purpose and character of use, amount and substantiality of portions used, and effect of the use upon the potential market. It just does not make sense to say in one place that the nature of the work is not to be considered in the fair use balancing process and to say in another place that it is to be considered. Courts certainly would have problems in divining congressional intent when confronted with such contradictory language.

2. In view of the foregoing, it simply is impossible to say whether enactment of the legislation will "reverse the holding[s] in Salinger and New Era." Is it intended to do so? It seems incredible that the purpose of Congress is to undertake a radical change in the traditional concept that those who use unpublished material are entitled to far less fair use protection than those who use published material.

3. Only if Congress decided unequivocally to elevate unpublished material to equal status with published material for purposes of fair use analysis (eliminating the nature of the work factor), might the publisher be permitted to publish the letters barred from publication in the Salinger case. I say "might" because the facts of the case then would have to be re-weighed in terms of the remaining fair use factors.

4. To my knowledge, the Second Circuit never has adopted a "per se" rule in cases of unpublished works. An amendment to section 107 of the Copyright Act noting that no single factor shall be given preclusive effect adds nothing to the present statute.

5. It seems to me that the Copyright Act is not the appropriate place for the resolution of issues arising out of agreements that condition access to unpublished work upon promises not to publish.

6. While it is difficult to see how enactment of the pending bills would implicate the takings clause of the Fifth Amendment, I cannot disagree with Ms. Ringer's testimony that the bills call into question what has been considered a fundamental right of authors -- the right of first publication. Moreover, the bills do not address what I have identified as a serious problem under present law -- the possibility that the Fair Use Doctrine may be applied to permit the exploitation of unpublished, copyrighted text stolen from the author.

RESPONSES OF U.S CIRCUIT JUDGE ROGER J. MINER
TO QUESTIONS OF SENATOR PATRICK J. LEAHY:

1. My concern, as previously expressed in my testimony, is not only that the proposed legislation treats published and unpublished works equally, but also that the language of the amendment is inconsistent with the existing statutory fair use factor that requires courts to consider the nature of the work when applying the Fair Use Doctrine. If the purpose of the amendment is to "merely require a full fair use analysis of unpublished works -- including the fact that they are unpublished," then the legislation is repetitive and unnecessary.

2. A "narrower bill" which states that, "in applying the fair use factors, the unpublished nature of the copyrighted work may be considered as an element, but not the sole determinative element, in deciding whether the use made of the work has been fair," adds nothing to the present law in my opinion. Courts presently take into consideration the unpublished nature of the work as an element in the fair use analysis, it being understood of course that far less fair use protection traditionally has been afforded to unpublished material than to published material. The "narrower bill" referred to does not address the concerns of historians, researchers and biographers relative to the stringent restrictions imposed upon their use of unpublished material.

3. To provide that the unpublished nature of a work used for "academic research, criticism, biography or history," is a matter that "should be taken into account but should not be the sole determining factor" in a fair use analysis is to add nothing to the present statute, which already requires consideration of the purpose and character of the use as one of the four fair use factors.

I reiterate my proposal to address the concerns of authors who are barred from using copyrighted and unpublished work discovered in the course of their research: Fair use should be limited to published and publicly disseminated material. Publicly disseminated material should be defined to include any letters sent without a requirement of confidentiality and any documents, including letters, that have been in existence for a fixed period of years prior to being copyrighted.

Senator **DeConcini**. Judge Miner, thank you very much. Judge Leval.

STATEMENT OF JUDGE LEVAL

Judge **Leval**. Thank you, Mr. Chairman. I am the U.S. district judge who found fair use in a biography of J.D. Salinger and then saw my ruling reversed on appeal and subsequently found fair use in a biography of L. Ron Hubbard and, again, saw my decision overturned on appeal. I will tell you that I have found it instructive and exhilarating to be involved at the cutting edge of the law even though my presence at the cutting edge was in the role of the salami.

I invite you to suppose that an historian should discover letters written by Nikita Khrushchev in the early 1960's which reveal unknown aspects of his personality, character and motivations, and thus yield startling new understandings of the history of the cold war. Suppose, for example, that the letters showed a consuming jealousy for President John F. Kennedy and that a desire for recognition from the American President was what motivated Khrushchev.

Should our copyright law bar historians and journalists from making limited quotation from the letters to the extent necessary to explain new understandings of history? I suggest to you that it should not. Without depriving the author of the right to profit from publication of the letters, fair use by others should be permitted to assist historical exploration.

To forbid fair use in these circumstances would promote ignorance and secrecy contravening the objectives of the copyright law. As our law is presently understood, however, such limited quotation might not be permitted. The fact that the letters were previously unpublished would, effectively, bar fair use.

With all respect, I believe that the Supreme Court in the *Nation* case committed an error of overstatement and that its overstatement has had damaging results. The Court suggested, incorrectly in my view, that the unpublished character of a work inevitably disfavors fair use. This suggestion was followed and carried much further by the second circuit in the *Salinger* and *New Era* cases.

It is not my purpose to argue whether the Supreme Court or the second circuit correctly interpreted the 1976 statute. The issue before us today is whether the copyright law, as it now stands, furthers a policy which the Congress of the United States considers correct and, if not, whether an amendment to the statute would set it right.

I suggest to you that our copyright laws should not arbitrarily and rigidly bar fair use of unpublished matter. Your bill would, effectively and fairly, make the desired change. It is a well-drafted bill which says only what need be said and does not say too much.

I have heard various arguments advanced against this bill. In my view, they are not persuasive. I will, very briefly, review some of them. First, the bill is disparaged on the grounds that it is unnecessary. We are told that neither the *Nation, Salinger* nor *New Era* opinions categorically reject the applicability of fair use to unpublished material matter. This may be true, but they come very close.

For example, the Salinger opinion asserts that unpublished material works "normally enjoy complete protection." Their immediate effect has been to inhibit the world of scholarship and publication, quashing valuable historical studies that depend on unpublished sources.

Some say our society is not harmed by denial of the right to make fair use because an historian or journalist may always state the facts found in the document. With all respect, I believe this argument is a canard. Often, it is impossible to demonstrate a fact without quoting the written word. History is, in large part, the study of people and their motivations. Such facts may not be demonstrated without quoting the words.

Critics of the bill have focused on an ambiguity in the statement accompanying the bill. There it was stated that the bill would make fair use equally applicable, and it is argued that that reduced the unpublished factor to nothing. I don't think the statement meant that. I think the statement meant only that fair use would apply on the four factors, to published as well as unpublished works.

In conclusion, I favor the passage of the bill. It is modest and restrained. It does no more than necessary to eliminate a bias. I believe the bill would set a national policy of copyright that is properly open to the responsible limited use of unpublished matter for educational, instructive, historical, and journalistic purposes.

I have made remarks on fair use considerably more extensive in an article published in the Harvard Law Review entitled "For a Fair Use Standard," and I submit it to the committee for your inspection.

[Judge Leval submitted the following material:]

Statement of Pierre N. Leval
U.S. District Judge, Southern District of New York
Joint Hearing
House Committee on the Judiciary
Subcommittee on Courts, Intellectual Property
and the Administration of Justice
Re: H.R. 4263
-and-
Senate Committee on the Judiciary
Subcommittee on Patents, Copyrights and Trademarks
Re: S. 2370
Wednesday, July 11, 1990

Chairmen and Distinguished Members:

Let us suppose that a historian should discover letters written by Nikita Khrushchev in the early 1960s which reveal unknown aspects of his personality, character and motivations, and yield startling new understandings of the history of the Cold War. Suppose, for example, that the letters showed a consuming jealousy for President John F. Kennedy, and that a quest for favorable recognition from the American President was what motivated Khrushchev's initiatives. Should our copyright statute bar historians and journalists from making limited quotation from the letters to the extent necessary to explain and defend the new theses which the discovery made possible?

I suggest to you that it should not. Without depriving Khrushchev (or his heirs) of legitimate author's rights to profit from publication of the letters, "fair use" by others should be permitted to assist historical exploration.

As our law is presently understood, however, such limited quotation might not be permitted. The fact that the letters were previously unpublished would effectively bar fair use.

With all respect, I believe that the Supreme Court in the Nation case[1] committed the error of overstatement and that its overstatement has had damaging results. The Court suggested, incorrectly in my view, that the unpublished character of a work inevitably disfavors fair use. This suggestion was followed and carried further by the Second Circuit in the Salinger[2] and the

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[1] Harper & Row, Publishers, Inc. v. Nation Enterprises, Inc., 471 U.S. 539 (1985).

[2] Salinger v. Random House, Inc., 650 F. Supp. 413 (S.D.N.Y. 1986), rev'd, 811 F.2d 90 (2d Cir.), cert. denied, 484 U.S. 890 (1987).

New Era[3] cases.

I do not disagree with the result of the Nation decision. The fair use privilege should not protect one who seeks to scoop an author's legitimately authorized publication. Such scooping unquestionably damaged President Ford's entitlements as an author and diminished the incentives of public figures to write memoirs. In some cases like the Nation, depending on a careful analysis of all of the factors, the unpublished nature of a work will argue strongly against fair use. But not always. Sometimes, as in our imagined Khrushchev case, insistence on the unpublished character as a factor disfavoring fair use would promote secrecy and ignorance in a manner that contravenes the objectives of copyright.

It is not my purpose to argue about whether the Supreme Court's opinion and the Second Circuit precedents that followed it correctly interpreted the 1976 statute. The issue before us is whether the copyright law as it now stands furthers a policy which the Congress of the United States considers correct and, if not, whether an amendment to the copyright statute would set it right.

The opinions of these high courts have effectively barred the fair use of unpublished matter. I suggest to you that the copyright law of the United States should not include an arbitrary bar and that the legislative change which this committee has proposed would effectively and fairly make the desired change. It would simply clarify that fair use may be found in the case of unpublished matter.

What I admire particularly in the drafting of this bill is that it says only what needs to be said and does not say too much. Fair use cases are, and should be, highly fact intensive. Judges should be permitted, indeed required, to explore fully and open-mindedly all of the ramifications of the factual circumstances presented, to determine whether the particular use should be justified as fair use under the statute. The examination should be made in the light of the purposes of the copyright law which are clearly stated in the constitutional grant of power: "To promote the progress of Science and Useful Arts by securing for limited times . . . to authors . . . the exclusive right to their respective writings . . . ." The purpose of the copyright law is ultimately to enrich society by encouraging authors and artists to exercise their efforts and talents in the creation of instructive and entertaining material -- this encouragement being achieved by protecting the rights of authors and artists to profit from their works. The copyright statute lays out generalized considerations which courts are to explore in reaching a decision on fair use. It instructs that we look at the "purpose and character" of the secondary use as well as at the "nature of the copyrighted work" and other factors. In each instance courts should broadly explore and evaluate all aspects in the light of the objectives of the copyright law to determine whether a secondary use is protected or forbidden.

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[3] New Era Publications Int'l v. Henry Holt & Co., 695 F.Supp. 1493 (S.D.N.Y. 1988), aff'd on other grounds, 873 F.2d 576 (2d Cir. 1989).

The proposed statutory modification seeks only to eliminate an arbitrary rule which was introduced by the Supreme Court. There is no reason why the unpublished nature of copyrighted matter should necessarily be held to oppose a finding of fair use. In some cases, it might. In others, it might not. Each should be evaluated on its particular facts in the light of the objectives of copyright law. What is required is a careful and thorough analysis in preference to an arbitrary rule. That is all this bill proposes. It eliminates an arbitrary presumption against fair use and directs courts to explore all pertinent facts with an open mind in cases of published and unpublished works.

I have heard various arguments advanced against this bill and in my view they are not persuasive. Let me review some of them:

1. First, the bill is disparaged on the grounds that it is unnecessary. We are told it is alarmist to see a need for legislative correction. We are told that neither the _Nation_, _Salinger_ nor _New Era_ opinions categorically reject the applicability of fair use to unpublished matter. This may be true, but they come very close. The _Salinger_ court construed the _Nation_ opinion to mean that "[unpublished] works normally enjoy complete protection against copying any protected expression." The _New Era_ opinion, citing _Salinger_, reasserted that "[unpublished] works normally enjoy complete protection."

The immediate effect has been to inhibit the world of scholarship and publication. Publishing is an expensive, high-risk venture. Publishers cannot afford the gamble that a book may be enjoined. The consequence is that biographic or historical books that depend on quotation from letters, memos and the like will simply not be published. And books that can stand without quotations from unpublished matter (although in impoverished form) will be published in that expurgated form to the detriment of public knowledge. If Congress disagrees with the rule proclaimed in the _Nation_, _Salinger_ and _New Era_ cases, Congress should take this modest, restrained step to eliminate that bar to a finding of fair use of unpublished materials.

2. We are told the bill would not be useful because it would leave many questions unanswered. To me that is precisely

its strength. The inquiry into fair use is necessarily fact intensive. It must be entered with an open mind. A bill which tried to answer all the questions would do incalculable damage. I think it is no weakness of the bill that it leaves each case to be decided on its facts. That is precisely what our fair use statute should provide. This bill seeks only to eliminate an arbitrary bias which has entered the law through judicial interpretation.

3. Some say, furthermore, that society is not harmed by denial of the right to make fair use because a historian or journalist may state the facts found in the document. With all respect I believe this argument is a canard. In some instances it is true the facts may be stated without quoting the material in which the facts are found. But in many instances the opposite is true. Often it is impossible to demonstrate a fact without quoting the written word. History is in large part the study of people -- their motivations, personalities, biases and passions. Such facts often cannot be demonstrated without quoting the words of the subject. Returning to our hypothetical example, the historian who seeks to demonstrate that Khrushchev was driven by a consuming jealousy for President Kennedy cannot be an effective historian if he simply asserts the supposed "fact."

I might indeed write a book saying, "Khrushchev was consumed by jealousy for President Kennedy. All of this can be seen in letters and memos he wrote. Take my word for it." It would be a short book.

I suggest you would find it most unsatisfactory. You would demand to be convinced. "How do we know? What did he say?," you would ask with great justification. Such "facts" are generally not stated in people's letters. Khrushchev will not have written, "I am consumed with jealousy for JFK and this explains my actions." It is by interpretation that we discern character, bias and motivation. The validity of those interpretations cannot be evaluated without quotation.

4. Another canard that should be refuted is that under this bill, authors will have no protection for unpublished drafts that they prefer not to publish. That is not the case. This bill does not purport to expose all unpublished matter to free unauthorized publication in the name of fair use. Unpublished drafts will continue to be protected upon a full analysis of the fair use factors. The fact that fair use may be made in compelling circumstances of limited amounts of unpublished matter, as would be the case under this bill, does not justify the fear that authors' unpublished drafts will be unprotected from wholesale theft.

5. Critics have also focussed on an ambiguity in a statement accompanying the introduction of the bill. It was there stated that the bill would make fair use applicable "equally" to published and unpublished matter. Critics raise the alarm that if fair use applies "equally" to published and unpublished matter, then the fact that a work is unpublished has no legal significance. I think it is clear in the introductory statement that the bill is not intended to apply equally, meaning in precisely the same fashion, to published and unpublished works. What was meant was simply that both published and unpublished works would be eligible for fair use depending on a complete analysis of all factual circumstances, including whether the work is published or unpublished. If I am correct in my understanding of the intention of the introductory statement, I suggest it would be well to clear up the ambiguity in the final report.

6. Another line of argument advanced against the bill is that it may undermine the right of privacy. Although I believe that privacy rights should receive due recognition in the law, the copyright law is not the vehicle, and Congress is not the body for the imposition of such protections. The Constitution gives to Congress the power "to promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . . ." Protecting the right of privacy does not promote the progress of science and the useful arts. To the contrary, it serves secrecy. The Constitution does not grant to Congress a power to pass tort laws for the protection of privacy. However important the right of privacy may be, it is a right reserved by the Constitution to the several states. By and large the states have availed themselves of their power and have passed laws protecting the right of privacy. Such laws are the proper function of state legislatures and not of Congress.[4]

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[4] Some confusion has arisen on this point because of 19th Century English precedent. British judges in the 19th Century, finding a need to develop a law of privacy (particularly in a case where an entrepreneur publicized private etchings made by Queen Victoria and Prince Albert), developed a law of privacy and housed it under the rubric of the copyright law. Because England is not a federalist state which divides powers as between state and national governments, it made no difference whether the newly created right of privacy was recorded under one or another category of legal doctrine. In our country, it matters importantly. Congress has the power to promote the progress of science and useful arts by securing exclusive rights to authors. It is the states that have the power to promote the right of privacy. A federal statute that purported to serve both objectives would be not only confusing but detrimental to the proper objectives of the

In conclusion, I favor passage of this bill. It is modest and restrained. It does no more than is necessary to eliminate a bias that effectively bars proper historical or journalistic use of unpublished matter. I believe the bill would clarify the law and create a national policy of copyright that is properly open to the responsible, limited use of unpublished matter for legitimate educational, instructive, historical and journalistic purposes.

(I have enclosed for the Committee's consideration a more complete discussion of the fair use privilege, which I recently published in the Harvard Law Review. Leval, Toward a Fair Use Standard, 103 Harv. L. Rev. 1105 (1990).)

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federal statute that purported to serve both objectives would be not only confusing but detrimental to the proper objectives of the copyright law.

109

COMMENTARY

TOWARD A FAIR USE STANDARD

BY

Pierre N. Leval

Reprinted From
HARVARD LAW REVIEW
Vol. 103, No. 5, March 1990

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Cambridge, Mass., U.S.A.

COMMENTARIES

TOWARD A FAIR USE STANDARD

*Pierre N. Leval**

Random distribution has dealt me a generous share of copyright suits involving claims of fair use. The court of appeals' disagreement with two of my decisions[1] provoked some rethinking, which revealed that my own decisions had not adhered to a consistent theory, and, more importantly, that throughout the development of the fair use doctrine, courts had failed to fashion a set of governing principles or values. Is this because no rational defining values exist, or is it rather that judges, like me, have repeatedly adjudicated upon ad hoc perceptions of justice without a permanent framework? This commentary suggests that a cogent set of governing principles exists and is soundly rooted in the objectives of the copyright law.

Not long after the creation of the copyright by the Statute of Anne of 1709,[2] courts recognized that certain instances of unauthorized reproduction of copyrighted material, first described as "fair abridgment," later "fair use," would not infringe the author's rights.[3] In the United States, the doctrine was received and eventually incorporated into the Copyright Act of 1976, which provides that "the fair use of a copyrighted work . . . is not an infringement of copyright."[4]

What is most curious about this doctrine is that neither the decisions that have applied it for nearly 300 years, nor its eventual statutory formulation, undertook to define or explain its contours or objectives. In *Folsom v. Marsh*,[5] in 1841, Justice Story articulated an often-cited summary of how to approach a question of fair use: "In short, we must often . . . look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work."[6] The 1976 Copyright Act largely adopted his summary.[7] These formulations, however, furnish little guidance on how to recognize fair use. The statute, for example, directs us to examine the "purpose and character" of the secondary use as well as "the nature of the copyrighted work." Beyond stating a preference for the critical, educational, and nonprofit over the commercial, the statute tells little about what to look for in the "purpose and character" of the secondary use. It gives no clues at all regarding the significance of "the nature of" the copyrighted work. Although it instructs us to be concerned with the quantity and importance of the materials taken and with the effect of the use on the potential for copyright profits, it provides no guidance for distinguishing between acceptable and excessive levels. Finally, although leaving open the possibility that other factors may bear on the question, the statute identifies none.[8]

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* Judge, United States District Court for the Southern District of New York.

[1] *See* Salinger v. Random House, Inc., 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987); New Era Publications Int'l v. Henry Holt & Co., 695 F. Supp. 1493 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir. 1989).

[2] Act for the Encouragement of Learning, 1709, 8 Anne, ch. 19.

[3] *See, e.g.*, Gyles v. Wilcox, 26 Eng. Rep. 489, 2 Atk. 141 (1740) (No. 130). *See generally* W. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW 6–17 (1985).

[4] 17 U.S.C. § 107 (1982).

[5] 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901).

[6] *Id.* at 348.

[7] The statute states:

Curiously, judges generally have neither complained of the absence of guidance, nor made substantial efforts to fill the void. Uttering confident conclusions as to whether the particular taking was or was not a fair use, courts have treated the definition of the doctrine as assumed common ground.

The assumption of common ground is mistaken. Judges do not share a consensus on the meaning of fair use. Earlier decisions provide little basis for predicting later ones. Reversals[9] and divided

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> Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107 (1982).

[8] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 549 (1985).

[9] Five of the recent leading cases were reversed at every stage of review. In Rosemont Enterprises, Inc. v. Random House, Inc., 256 F. Supp. 55 (S.D.N.Y.), *rev'd*, 366 F.2d 303 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) — the Howard Hughes case — the Second Circuit reversed a district court injunction. In Universal City Studios, Inc. v. Sony Corp. of America, 480 F. Supp. 429 (C.D. Cal. 1979), *rev'd*, 659 F.2d 963 (9th Cir. 1981), *rev'd*, 464 U.S. 417 (1984), the court of appeals reversed the district court's finding for the defendant, and was in turn reversed by the Supreme Court. In Harper & Row, Publishers, Inc. v. Nation Enterprises, 557 F. Supp. 1067 (S.D.N.Y.), *modified*, 723 F.2d 195 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985), the district court's damage award was reversed by the court of appeals, which in turn was reversed by the Supreme Court. In Salinger v. Random House, Inc., 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987), and in New Era Publications International v. Henry Holt & Co., 695 F. Supp. 1493 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir. 1989), my findings of fair use were rejected on appeal.

courts[10] are commonplace. The opinions reflect widely differing notions of the meaning of fair use. Decisions are not governed by consistent principles, but seem rather to result from intuitive reactions to individual fact patterns. Justification is sought in notions of fairness, often more responsive to the concerns of private property than to the objectives of copyright.

Confusion has not been confined to judges. Writers, historians, publishers, and their legal advisers can only guess and pray as to how courts will resolve copyright disputes. After recent opinions of the Second Circuit casting serious doubt on any meaningful applicability of fair use to quotation from previously unpublished letters,[11] publishers are understandably reluctant to pay advance royalties or to undertake commitments for biographical or historical works that call for use of such sources.

The doctrine of fair use need not be so mysterious or dependent on intuitive judgments. Fair use should be perceived not as a disorderly basket of exceptions to the rules of copyright, nor as a departure from the principles governing that body of law, but rather as a rational, integral part of copyright, whose observance is necessary to achieve the objectives of that law.

I. THE GOALS OF COPYRIGHT

The Supreme Court has often and consistently summarized the objectives of copyright law. The copyright is not an inevitable, divine, or natural right that confers on authors the absolute ownership of their creations. It is designed rather to stimulate activity and progress in the arts for the intellectual enrichment of the public. This utilitarian goal is achieved by permitting authors to reap the rewards of their creative efforts.

> [C]opyright is intended to increase and not to impede the harvest of knowledge. . . . The rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors.
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> . . . [The Constitution's grant of copyright power to Congress] "is a means by which an important public purpose may be achieved. It

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[10] In its first two encounters with fair use, the Supreme Court split 4–4 and thus failed to resolve anything. *See* Williams & Wilkins Co. v. United States, 420 U.S. 376 (1975); Columbia Broadcasting Sys. v. Loew's, Inc., 356 U.S. 43 (1958). The Court decided *Sony* by a 5–4 majority, *see Sony*, 464 U.S. 417, and *Nation* by a 6–3 majority, *see Nation*, 471 U.S. 539. In *New Era*, the Second Circuit voted 7–5 to deny en banc review to alter the panel's dicta on fair use. Four judges joined in a concurring opinion, *see New Era*, 884 F.2d at 660 (Miner, J., concurring), and four in a dissenting opinion, *see id.* at 662 (Newman, J., dissenting).

[11] *See New Era*, 873 F.2d 576; *Salinger*, 811 F.2d 90.

is intended to motivate the creative activity of authors and inventors by the provision of a special reward . . . ." "The monopoly created by copyright thus rewards the individual author in order to benefit the public."[12]

The fundamental historic sources amply support the Supreme Court's explanation of the copyright objectives. The copyright clause of the Constitution, for example, evinces the same premises: "The Congress shall have Power . . . : To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[13] Several aspects of the text confirm its utilitarian purpose.[14] First is its express statement of purpose: "To promote the Progress of Science and useful Arts . . . ." By lumping together authors and inventors, writings and discoveries, the text suggests the rough equivalence of those two activities. In the framers' view, authors possessed no better claim than inventors. The clause also clearly implies that the "exclusive right" of authors and inventors "to their respective Writings and Discoveries" exists only by virtue of statutory enactment.[15] Finally, that the right may be conferred only "for limited times" confirms that it was not seen as an absolute or moral right, inherent in natural law. The time limit considered appropriate in those days was relatively brief — a once-renewable fourteen-year term.[16]

A similar utilitarian message is found in the original British copyright statute, the Statute of Anne of 1709.[17] Its caption declares that this is "An Act for the Encouragement of Learning, by vesting the Copies of printed Books in the Authors . . . during the Times therein mentioned."[18] The preamble declares the statute's purpose to be "for the Encouragement of Learned Men to compose and write useful Books."[19] Elaborating the justification, the preamble exhibits a prevalent concern for the financial entitlements of authorship by noting that the practice of pirated publication without the author's consent "too often [causes] the Ruin of [Authors] and their Families."[20]

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[12] *Nation*, 471 U.S. at 545–46 (citation omitted) (quoting *Sony*, 464 U.S. at 429; and *id.* at 477 (Blackmun, J., dissenting)). In numerous prior decisions, the Supreme Court has explained copyright in similar terms. *See* Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975) ("Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. . . . When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of this basic purpose."); Mazer v. Stein, 347 U.S. 201, 219 (1954); Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932).

[13] U.S. CONST. art. I, § 8, cl. 8.

[14] In *The Federalist* No. 43, Madison observes: "The utility of [the power conferred by the patent and copyright clause] will scarcely be questioned. . . . The public good fully coincides in both cases with the claims of individuals." THE FEDERALIST No. 43, at 186 (J. Madison) (C. Beard ed. 1959).

[15] "That Congress, in passing the Act of 1790, did not legislate in reference to existing rights, appears clear . . . . Congress, then, by this act, instead of sanctioning an existing right . . . created it." Wheaton v. Peters, 33 U.S. (8 Pet.) 591, 661 (1834).

[16] Act of May 31, 1790, 1st Cong., 2d Sess., 1 Stat. 124. *See* LATMAN'S THE COPYRIGHT LAW 6 (W. Patry 6th ed. 1986). The original copyright term was but a tiny fraction of the duration of protection under the new 1976 Act — extending 50 years after death — which, in the case of youthful letters of an octogenarian, could easily exceed 100 years. *See* 17 U.S.C. § 302(a) (1982).

[17] Act for the Encouragement of Learning, 1709, 8 Anne, ch. 19.

The copyright law embodies a recognition that creative intellectual activity is vital to the well-being of society. It is a pragmatic measure by which society confers monopoly-exploitation benefits for a limited duration on authors and artists (as it does for inventors), in order to obtain for itself the intellectual and practical enrichment that results from creative endeavors.

If copyright protection is necessary to achieve this goal, then why allow fair use? Notwithstanding the need for monopoly protection of intellectual creators to stimulate creativity and authorship, excessively broad protection would stifle, rather than advance, the objective.

First, all intellectual creative activity is in part derivative. There is no such thing as a wholly original thought or invention. Each advance stands on building blocks fashioned by prior thinkers.[21] Second, important areas of intellectual activity are explicitly referential. Philosophy, criticism, history, and even the natural sciences require continuous reexamination of yesterday's theses.

Monopoly protection of intellectual property that impeded referential analysis and the development of new ideas out of old would strangle the creative process. Three judicially created copyright doctrines have addressed this problem: first, the rule that the copyright does not protect *ideas*, but only the manner of expression;[22] second, the rule that *facts* are not within the copyright protection, notwithstanding the labor expended by the original author in uncovering them;[23] and finally, the fair use doctrine, which protects secondary creativity as a legitimate concern of the copyright.

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[18] *Id.* The duration was the once-renewable fourteen-year term later adopted for the United States in the 1790 enactment. *See supra* text accompanying note 16.

[19] Act for the Encouragement of Learning, 1709, 8 Anne, ch. 19.

[20] *Id.*

[21] *See* Chafee, *Reflections on the Law of Copyright*, 45 COLUM. L. REV. 503, 511 (1945). "The world goes ahead because each of us builds on the work of our predecessors. 'A dwarf standing on the shoulders of a giant can see farther than the giant himself.' Progress would be stifled if the author had a complete monopoly of everything in his book . . . ." *Id.*

[22] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985); New York Times Co. v. United States, 403 U.S. 713, 726 n.* (1971) (Brennan, J., concurring); Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960) (L. Hand, J.); Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 54 (2d Cir. 1936) (L. Hand, J.); Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930) (L. Hand, J.); 17 U.S.C. § 102(b) (1982).

II. THE NATURE AND CONTOURS OF FAIR USE

The doctrine of fair use limits the scope of the copyright monopoly in furtherance of its utilitarian objective. As Lord Ellenborough explained in an early dictum, "[W]hile I shall think myself bound to secure every man in the enjoyment of his copyright, one must not put manacles upon science."[24] Thus, the introductory language of our statute explains that fair use may be made for generally educational or illuminating purposes "such as criticism, comment, news reporting, teaching . . . scholarship, or research."[25]

Fair use should not be considered a bizarre, occasionally tolerated departure from the grand conception of the copyright monopoly. To the contrary, it is a necessary part of the overall design. Although no simple definition of fair use can be fashioned, and inevitably disagreement will arise over individual applications, recognition of the function of fair use as integral to copyright's objectives leads to a coherent and useful set of principles. Briefly stated, the use must be of a character that serves the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives for creativity. One must assess each of the issues that arise in considering a fair use defense in the light of the governing purpose of copyright law.

A. The Statutory Factors

Following Story's articulation, the statute lists four pertinent "factors to be considered" "in determining whether the use made of a work in any particular case is a fair use."[26] They are, in summary, the purpose and character of the use, the nature of the copyrighted work, the quantity and importance of the material used, and the effect of the use upon the potential market or value of the copyrighted work.[27] Each factor directs attention to a different facet of the problem. The factors do not represent a score card that promises victory to the winner of the majority. Rather, they direct courts to examine the issue from every pertinent corner and to ask in each case whether, and how powerfully, a finding of fair use would serve or disserve the objectives of the copyright.

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[23] *See* Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 974 (2d Cir.), *cert. denied*, 449 U.S. 841 (1980).

[24] Cary v. Kearsley, 170 Eng. Rep. 679, 681, 4 Esp. 168, 170 (1803).

[25] 17 U.S.C. § 107 (1982).

[26] *Id.*

[27] *See id.*

1. Factor One — The Purpose and Character of the Secondary Use. — Factor One's direction that we "consider[] . . . the purpose and character of the use"[28] raises the question of justification. Does the use fulfill the objective of copyright law to stimulate creativity for public illumination? This question is vitally important to the fair use inquiry, and lies at the heart of the fair user's case. Recent judicial opinions have not sufficiently recognized its importance.

In analyzing a fair use defense, it is not sufficient simply to conclude whether or not justification exists. The question remains how powerful, or persuasive, is the justification, because the court must weigh the strength of the secondary user's justification against factors favoring the copyright owner.

I believe the answer to the question of justification turns primarily on whether, and to what extent, the challenged use is *transformative*. The use must be productive and must employ the quoted matter in a different manner or for a different purpose from the original.[29] A quotation of copyrighted material that merely repackages or republishes the original is unlikely to pass the test; in Justice Story's words, it would merely "supersede the objects" of the original.[30] If, on the other hand, the secondary use adds value to the original — if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings — this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.[31]

Transformative uses may include criticizing the quoted work, exposing the character of the original author, proving a fact, or summarizing an idea argued in the original in order to defend or rebut it. They also may include parody, symbolism, aesthetic declarations, and innumerable other uses.

The existence of any identifiable transformative objective does not, however, guarantee success in claiming fair use. The transformative justification must overcome factors favoring the copyright owner. A biographer or critic of a writer may contend that unlimited quotation enriches the portrait or justifies the criticism. The creator of a derivative work based on the original creation of another may claim absolute entitlement because of the transformation. Nonetheless, extensive takings may impinge on creative incentives. And the secondary user's claim under the first factor is weakened to the extent that her takings exceed the asserted justification. The justification will likely be outweighed if the takings are excessive and other factors favor the copyright owner.

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[28] *See id.* § 107(1).

[29] *See* Cary v. Kearsley, 170 Eng. Rep. 679, 681–82, 4 Esp. 168, 170–71 (1802). In Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984), the dissenters approved this approach, *see id.* at 480 (Blackmun, J., dissenting), but the majority of the Supreme Court rejected it, *see* 464 U.S. at 448–51.

[30] *See* Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4901).

[31] *But cf.* Fisher, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1659, 1768–69 (1988) (using the term "transformative" in a somewhat different sense).

The importance of a transformative use was stressed in the early decisions, which often related to abridgements. For example, *Gyles v. Wilcox*[32] in 1740 stated:

> Where books are colourably shortened only, they are undoubtedly infringement within the meaning of the [Statute of Anne] . . . .
>
> But this must not be carried so far as to restrain persons from making a real and fair abridgment, for abridgments may with great propriety be called a new book, because . . . the invention, learning, and judgment of the [secondary] author is shewn in them . . . .[33]

In the United States in 1841, Justice Story wrote in *Folsom*:

> [N]o one can doubt that a reviewer may fairly cite [quote] largely from the original work, if . . . [its design be] . . . criticism. On the other hand, it is as clear, that if he thus [quotes] the most important parts of the work, with a view, not to criticise, but to supersede the use of the original work, [infringement will be found].[34]

Courts must consider the question of fair use for each challenged passage and not merely for the secondary work overall. This detailed inquiry is particularly important in instances of a biographical or historical work that quotes numerous passages from letters, diaries, or published writings of the subject of the study. Simply to appraise the overall character of the challenged work tells little about whether the various quotations of the original author's writings have a fair use purpose or merely supersede. For example, in the recent cases of biographies of Igor Stravinsky[35] and J.D. Salinger,[36] although each biography overall served a useful, educational, and instructive purpose that tended to favor the defendant, some quotations from the writings of Stravinsky and Salinger were not justified by a strong transformative secondary objective. The biographers took dazzling passages of the original writing because they made good reading, not because such quotation was vital to demonstrate an objective of the biographers. These were takings of protected expression without sufficient transformative justification.

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[32] 26 Eng. Rep. 489, 2 Atk. 141 (1740) (No. 130).

[33] *Id.* at 490, 2 Atk. at 143.

[34] 9 F. Cas. at 344–45.

[35] *See* Craft v. Kobler, 667 F. Supp. 120 (S.D.N.Y. 1987).

[36] *See* Salinger v. Random House, Inc., 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987).

I confess to some error in Salinger's case. Although the majority of the biographer's takings were of unprotected facts or ideas and some displayed transformative value in sketching the character portrait, other takings of highly expressive material exhibited minimal creative, transformative justification. My finding of fair use was based primarily on the overall instructive character of the biography. I failed to recognize that the nontransformative takings provided a weak basis for claiming the benefits of the doctrine and that, unless attention were focused on the individual passages, a favorable appraisal of the constructive purpose of the overall work could conceal unjustified takings of protected expression. The converse can also be true: a low estimation of the overall merit of the secondary work can lead to a finding for the copyright owner in spite of a well-justified, transformative use of the particular quotation that should justify a favorable finding under the first factor.

Although repentantly agreeing with Judge Newman's finding of infringement in at least some of the challenged passages, I respectfully disagree with his reasoning, which I contend failed to recognize the need for quotation as a tool of accurate historical method. His opinion suggested a far-reaching rule — that unpublished matter is off-limits to the secondary user, regardless of justification. "[Unpublished] works normally enjoy complete protection against copying any protected expression."[37]

The Second Circuit's *New Era* opinion carried this suggestion further.[38] In *New Era*, unlike *Salinger*, various persuasive justifications were proffered as to why quotation was necessary to accomplish the biographer's objective. For example, the biographer sought to support a portrait of his subject as a liar by showing he had lied; as a bigot by showing he had made bigoted pronouncements; as pompous and self-important by quoting self-important statements. The biographer similarly used quotations to show cruelty, paranoia, aggressiveness, scheming.[39] These are points which often cannot be fairly demonstrated without quotation. The Second Circuit's majority opinion rejected the pertinence of even considering the necessity of quotation of unpublished matter to communicate such assessments. Citing *Salinger*, it reasserted that "[unpublished] works normally enjoy complete protection."[40]

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[37] *Salinger*, 811 F.2d at 97.

[38] *See* New Era Publications Int'l v. Henry Holt & Co., 873 F.2d 576 (2d Cir. 1989).

[39] *See* New Era Publications Int'l v. Henry Holt & Co., 695 F. Supp. 1493, 1508–19 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir. 1989). The district court opinion found approximately twenty categories of justifications under the first factor. Personal qualities of the subject that the biographer sought to demonstrate through quotations included dishonesty, boastfulness, pomposity, pretension, paranoia, snobbery, bigotry, dislike of Asians and of the Orient, cruelty, disloyalty, aggressiveness, vicious scheming tactics, cynicism, and mental derangement. Other uses included the exposition of a false mythology built up around the personage of L. Ron Hubbard, of his self-image as revealed in early diaries, and of his teenage writing style. Some passages were quoted to ensure an accurate rendition of an idea.

Early drafts of this Commentary included samples of these quotations to illustrate the point here argued about *fair use* justifications under the first factor. I believed that such quotation in a law review article to further the discussion of a disputed point of law would be a fair use.

I believe the *Salinger/New Era* position accords insufficient recognition to the value of accurate quotation as a necessary tool of the historian or journalist. The biographer who quotes his subject is characterized as a parasite or free rider. If he copies "more than minimal amounts . . . he deserves to be enjoined."[41] Nor does this restriction "interfere . . . with the process of . . . history," the *Salinger* opinion insists, because "[t]he *facts* may be reported"[42] without risk of infringement. Can it be seriously disputed that history, biography, and journalism benefit from accurate quotation of source documents, in preference to a rewriting of the facts, always subject to the risk that the historian alters the "facts" in rewriting them?[43]

As to ideas, the analysis is similar. If the secondary writer has legitimate justification to report the original author's idea, whether for criticism or as a part of a portrait of the subject, she is surely permitted to set it forth accurately. Can ideas be correctly reported, discussed, or challenged if the commentator is obliged to express the idea in her own different words? The subject will, of course, reply, "That's not what I said." Such a requirement would sacrifice clarity, much as a requirement that judges, in passing on the applicability of a statute or contract, describe its provisions in their own words rather than quoting it directly.

Reconsideration of the standards declared by the court of appeals in *Salinger* and *New Era* suggests that no such tolerance exists. I have accordingly deleted the illustrative quotations. Interested readers are referred to the district court opinion, which sets forth numerous examples.

[40] *New Era*, 873 F.2d at 583.

[41] *Salinger*, 811 F.2d at 96; *see also New Era*, 873 F.2d at 584.

[42] *Salinger*, 811 F.2d at 100 (emphasis added).

[43] Sometimes, in the permitted exercise of reporting the facts that are set forth in a letter, a historical writer will inevitably use similar (or identical) language, especially if the original conveyed the fact by simple direct assertion. Consider a biographer whose information about her subject comes largely from letters. One such letter reported to an old college friend, "In July I married Lynn Jones, from San Francisco. We have rented a house on the beach in Malibu and spend most of our free time sunbathing." The biographer, seeking to report these facts writes, "We learn from X's letter to a college friend that in July 1952 he married a San Franciscan named Lynn Jones, that they rented a house on the beach in Malibu and spent most of their free time sunbathing." (This example parallels many instances raised by *Salinger*.) Is this infringement? Notwithstanding virtually identical language, I contend it is not. Where the secondary writer's purpose is to report the facts revealed in the original, and not to appropriate the personal expressive style of the original, she is surely not required — as the Second Circuit's *Salinger* opinion seems to suggest, *see Salinger*, 811 F.2d at 96–97 — to seek refuge in altered language merely to avoid using the same words as the original. Where a simple direct statement of the facts calls for use of the original language, the need to report the fact justifies such use.

Is it not clear, furthermore, as Chief Judge Oakes' separate opinion in *New Era* recognized,[44] that at times the subject's very words are the facts calling for comment? If a newspaper wishes to report that last year a political candidate wrote a personal letter demeaning a race or religion, or proclaiming ideals directly contrary to those now stated in his campaign speeches, how can it fairly do this without quotation from the letter? If a biographer wished to show that her subject was cruel, jealous, vain, or crazy, can we seriously contend she should be limited to giving the reader those adjectives, while withholding the words that support the conclusion? How then may the reader judge whether to accept the biographer's characterization?

The problem was amusingly illustrated in the fall-out of *Salinger*. After the decision, the biographer rewrote his book, this time without quotations. Resorting to adjectives, he described certain of Salinger's youthful letters as "self-promoting . . . boastful"[45] and "buzzing with self-admiration."[46] A reviewer, who had access to the letters, disagreed and proclaimed that the letters were in fact "exuberant, self-deprecating and charged with hope."[47] Where does that leave the reader? What should the reader believe? Does this battle of adjectives serve knowledge and the progress of the arts better than allowing readers to judge for themselves by reading revelatory extracts?

The Second Circuit appears divided over these propositions. After the split vote of the original *New Era* panel, rehearing en banc was narrowly defeated by a vote of 7–5.[48] Judge Newman, joined by three colleagues, argued that rehearing en banc was warranted "to avoid misunderstanding on the part of authors and publishers . . . — misunderstanding that risks deterring them from entirely lawful writings in the fields of scholarly research, biography, and journalism."[49] His opinion recognized that "even as to unpublished writings, the doctrine of fair use permits some modest copying of an author's expression . . . where . . . necessary fairly and accurately to report a fact set forth in the author's writings."[50] In this discussion, Judge Newman retreated substantially from his position expressed in *Salinger* of normally complete protection.[51]

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[44] *See New Era*, 873 F.2d at 592 (Oakes, C.J., concurring).

[45] I. Hamilton, In Search of J.D. Salinger 53 (1988).

[46] *Id.* at 56.

[47] Richler, *Rises at Dawn, Writes, Then Retires*, N.Y. Times, June 5, 1988, (Book Review) § 7, at 7.

[48] *See* New Era Publications Int'l v. Henry Holt & Co., 884 F.2d 659, 662 (2d Cir. 1989) (Newman, J., dissenting).

[49] *Id.*

[50] *Id.*

[51] In an illuminating article to be published in the next edition of the *Journal of the Copyright Society*, *see* Newman, *Not the End of History: The Second Circuit Struggles with Fair Use*, 37 J. Copyright Soc'y 1 (1990), Judge Newman substantially clarifies the issue. He now

Quoting is not necessarily stealing. Quotation can be vital to the fulfillment of the public-enriching goals of copyright law. The first fair use factor calls for a careful evaluation whether the particular quotation is of the transformative type that advances knowledge and the progress of the arts or whether it merely repackages, free riding on another's creations. If a quotation of copyrighted matter reveals no transformative purpose, fair use should perhaps be rejected without further inquiry into the other factors.[52] Factor One is the soul of fair use. A finding of justification under this factor seems indispensable to a fair use defense.[53] The strength of that justification must be weighed against the remaining factors, which focus on the incentives and entitlements of the copyright owner.

2. *Factor Two — The Nature of the Copyrighted Work.* — The nature of the copyrighted work is a factor that has been only superficially discussed and little understood. Like the third and fourth factors, it concerns itself with protecting the incentives of authorship. It implies that certain types of copyrighted material are more amenable to fair use than others.

Copyright protection is available to very disparate categories of writings. If it be of original authorship, *i.e.*, not copied from someone else, and recorded in a fixed medium, it is protected by the copyright.[54] Thus, the great American novel, a report prepared as a duty of employment, a shopping list, or a loanshark's note on a debtor's

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espouses the propriety of such quotation in limited quantity when necessary to demonstrate facts. After my changes of position and his, the gulf between us in *Salinger* has significantly narrowed. *See infra* note 119 and accompanying text.

[52] Nonetheless, every trivial taking of copyrighted material that fails to demonstrate a compelling justification is not necessarily an infringement. Because copyright is a pragmatic doctrine concerned ultimately with public benefit, under the de minimis rule negligible takings will not support a cause of action. The justifications of the de minimis exemption, however, are quite different from those sanctioning fair use. They should not be confused. *See, e.g.*, Funkhouser v. Loew's, Inc., 208 F.2d 185 (8th Cir. 1953), *cert. denied*, 348 U.S. 843 (1954); Suid v. Newsweek Magazine, 503 F. Supp. 146, 148 (D.D.C. 1980); McMahon v. Prentice-Hall, Inc., 486 F. Supp. 1296, 1303 (E.D. Mo. 1980); Greenbie v. Noble, 151 F. Supp. 45, 70 (S.D.N.Y. 1957); Rokeach v. Avco Embassy Pictures Corp., 197 U.S.P.Q. (BNA) 155 (S.D.N.Y. 1978).

[53] The interpretation of the first factor is complicated by the mention in the statute of a distinction based on "whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1) (1982). One should not exaggerate the importance of this distinction. It is not suggested in any responsible opinion or commentary that by reason of this clause all educational uses are permitted while profitmaking uses are not. Surely the statute does not imply that a university press may pirate whatever texts it chooses. Nor can it mean that books produced by a commercial publisher are excluded from eligibility for fair use. A historian is not barred from making fair use merely because she will receive royalty compensation. This clause, therefore, does not establish a clear distinction between permitted and forbidden users. Perhaps at the extremes of commercialism, such as advertising, the statute provides little tolerance for claims of fair use.

[54] *See* 17 U.S.C. § 102(a) (1982).

door saying "Pay me by Friday or I'll break your goddamn arms" are all protected by the copyright.[55]

In the early history of copyright, British courts debated whether letters written for private communication should receive any protection at all from the Statute of Anne.[56] The question was soon satisfactorily settled in favor of protection, and I do not seek to reopen it. I do not argue that writings prepared for private motives should be denied copyright protection. In the unlikely event of the publication of the Collected Shopping Lists (or Extortion Notes) of a Renowned Personage, of course only the author should enjoy the author's rights. When it comes to making fair use, however, there is a meaningful difference between writings conceived as artistic or instructive creation, made in contemplation of publication, and documents written for a private purpose, as a message or memo, never intended for publication. One is at the heart of the purpose of copyright — the stimulation of creative endeavor for the public edification. The others are, at best, incidental beneficiaries. Thus, the second factor should favor the original creator more heavily in the case of a work (including superseded drafts) created for publication, than in the case of a document written for reasons having nothing to do with the objectives of copyright law.

The statutory articulation of this factor derives from Justice Story's mention in *Folsom* of the "value of the materials used."[57] Justice Story's word choice is more communicative than our statute's "nature of," as it suggests that some protected matter is more "valued" under copyright law than others. This should not be seen as an invitation to judges to pass on literary quality, but rather to consider whether the protected writing is of the creative or instructive type that the copyright laws value and seek to foster.

The *Nation*, *Salinger*, and *New Era* opinions discussed the second factor solely in terms of whether the copyrighted work was published or unpublished. The *Nation* opinion observed that the unpublished status of a copyrighted work is a critical element of its nature and a

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[55] The latter examples of writing are not ordinarily considered "work," the term used in Factor Two.

[56] Although Pope v. Curl, 26 Eng. Rep. 608, 2 Atk. 342 (1741), answered in the affirmative soon after the passage of the Statute of Anne, Perceval v. Phipps, 35 Eng. Rep. 225, 2 Ves. & Bea. 19 (1813), suggested the contrary:

> [T]hough the Form of familiar Letters might not prevent their approaching the Character of a literary Work, every private Letter, upon any Subject, to any Person, is not to be described as a literary Work, to be protected upon the Principle of Copyright. The ordinary Use of Correspondence by Letters is to carry on the Intercourse of Life between Persons at a Distance from each other, in the Prosecution of Commercial, or other, Business; which it would be very extraordinary to describe as a literary Work, in which the Writers have a Copyright.

Id. at 229, 2 Ves. & Bea. at 28.

[57] Folsom v. Marsh, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 4901).

"factor tending to negate the defense of fair use";[58] "the scope of fair use is narrower with respect to unpublished works."[59]

The Second Circuit in *Salinger* and *New Era* extended this principle. As interpreted in *Salinger*, the Supreme Court's discussion "conveys the idea that [unpublished] works normally enjoy complete protection against copying any protected expression."[60] However extreme this formulation may be, the word "normally" suggests that in the unusual instance fair use may be made of unpublished matter. *New Era*, however, rejected fair use even when necessary for accurate presentation of a fact; the court thus created an apparently insurmountable obstacle to the fair use of unpublished matter. Under the *Salinger/New Era* view, the unpublished nature of a quoted document trumps all other considerations.

The Supreme Court and the Second Circuit justify these positions by the original author's interest in controlling the circumstances of the first public revelation of his work[61] and his right, if he so chooses, not to publish at all.[62] These are indeed legitimate concerns of copyright law. An author who prefers not to publish a work, or wishes to make aesthetic choices about its first public revelation, will generally have the legal right to enforce these wishes.[63] Due recognition of these rights, however, in no way implies an absolute power to bar all quotation, regardless of how persuasive the justification.

A ban on fair use of unpublished documents establishes a new despotic potentate in the politics of intellectual life — the "widow censor." A historian who wishes to quote personal papers of deceased public figures now must satisfy heirs and executors for fifty years after the subject's death. When writers ask permission, the answer will be, "Show me what you write. Then we'll talk about permission." If the manuscript does not exude pure admiration, permission will be denied.[64]

The second factor should not turn solely, nor even primarily, on the published/unpublished dichotomy. At issue is the advancement of the utilitarian goal of copyright — to stimulate authorship for the public edification. Inquiry into the "nature" or "value" of the copyrighted work therefore determines whether the work is the type of material that copyright was designed to stimulate, and whether the secondary use proposed would interfere significantly with the original author's entitlements. Notwithstanding that nearly all writings may benefit from copyright, its central concern is for the protection of material conceived with a view to publication, not of private memos and confidential communications that its authors do not intend to share with the public.[65] The law was not designed to encourage shoppers to make written shopping lists, executives to keep orderly appointment calendars, or lovers to write love letters. Certainly it was not to encourage the writing of extortion notes. To conclude that documents created for purposes outside the concerns of copyright law should receive more vigorous protection than the writings that copyright law was conceived to protect is bizarre and contradictory. To suggest that simply because a written document is unpublished, fair use of that document is forbidden, or even disfavored, has no logical support in the framework of copyright law.

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[58] Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 564 (1985).

[59] *Id.* at 551.

[60] Salinger v. Random House, Inc., 811 F.2d 90, 97 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987).

[61] *See Nation*, 471 U.S. at 552–55.

[62] *See id.* at 559.

[63] *See id.* at 552; 17 U.S.C. § 106(3) (1982).

[64] Counsel to a major publisher advised me that the majority of nonfiction books in publication today present legal problems that did not exist prior to the *Salinger* opinion. Telephone conversation with Harriette Dorsen, counsel of Bantam-Doubleday-Dell Publishing (Dec. 1989); *see also* Kaplan, *The End of History?*, NEWSWEEK, Dec. 25, 1989, at 80 (discussing the hesitancy of publishers to publish books quoting from unpublished sources).

I do not argue that a writer of private documents has no legal entitlement to privacy.[66] He may well have such an entitlement. The law of privacy, however, and not the law of copyright supplies such protection. Placing all unpublished private papers under lock and key, immune from any fair use, for periods of fifty to one hundred years, conflicts with the purposes of the copyright clause. Such a rule would use copyright to further secrecy and concealment instead of public illumination.[67]

I do not dispute that publication can be important in assessing the second factor. Publication for public edification is, after all, a central concern of copyright. Thus, a work intended for publication is a favored protectee of the copyright.[68] A secondary use that imperils the eventual publication of a creation en route undermines the copyright objective. I therefore agree with the Supreme Court, on the particular facts of the *Nation* case, that the nature of the copyrighted work strongly favored its protection — but not merely because it was unpublished. In that case, the *Nation*, a weekly magazine of news and comment, published purloined extracts from the memoirs of former President Gerald Ford, shortly prior to the scheduled appearance of the first authorized serialization in *Time Magazine*.[69] *Time* then cancelled its plan to print the memoir and withheld payment of the balance of the license fee.[70] The Supreme Court rejected the *Nation*'s claim that the newsworthiness of the President's memoir justified a finding of fair use.[71]

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[65] *See supra* pp. 1108–10.

[66] *See infra* pp. 1129–30.

[67] Professor Weinreb argues it is "counterintuitive" that matter intended to be kept private should be more subject to exposure than what was created for others to see. *See* Weinreb, *Fair's Fair*, 103 HARV. L. REV. 1137, 1145–46 (1990). Indeed, it is. For this reason, one who wishes to keep private matters secret possesses various legal remedies, including civil and criminal actions for trespass and conversion, as well as an action to enforce the right of privacy.

My observations here in no way suggest that courts should deprive a person seeking privacy of legal remedies designed to protect privacy. My concern is solely with the understanding of the copyright law — a body of law conceived to encourage publication for the public edification. Construing its rules as more solicitous of an intention to conceal than to publish contravenes its purposes. *See infra* pp. 1129–30.

[68] It was an anomaly of the original drafting that the literal terms of the Statute of Anne provided no pre-publication protection. It measured the limited period of protection as fourteen years running not from the time of authorship but from the date of publication. This problematic drafting formulation no doubt resulted from the fact that the antecedents of the Statute of Anne

The critical element was that President Ford's memoir was written for publication, and was on its way to publication at the time of the *Nation*'s gun-jumping scoop. The Supreme Court emphasized that the *Nation*'s scoop unreasonably diminished the rewards of authorship.[72] The Court noted further that if the practice were tolerated on the grounds of newsworthiness, it would discourage public figures from writing and publishing valuable memoirs.[73] Read in context rather than excerpting isolated phrases, the *Nation* decision communicates a concern for protection of unpublished works *that were created for publication*, or *on their way to publication*, and not for unpublished matter created for private ends and held in secrecy.

It is not always easy to draw the distinction between works created for publication and notations or communications intended as private. A diary, memoir, or letter can be both — private in the first instance, but written in contemplation of possible eventual publication. In a sense, professional authors are writing either directly or indirectly for publication in their private memos and letters, as well as in their manuscripts. In private letters and notebooks, they practice the writ-

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were acts that conferred monopoly *printing* franchises upon printers under royal license. *See* B. KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 3–9 (1967); LATMAN'S THE COPYRIGHT LAW, *supra* note 16, at 2–4.

Construing the statute in accordance with its literal terms would have left authors unprotected at the time of their greatest exposure to piracy — the time before the act of publication made public the author's entitlement to protection. Thus, an author who showed an unpublished manuscript to a friend, critic, or prospective publisher would have had no protection had the latter pirated the work and published it without authorization. The British courts, however, cured the problem by construing the Statute to confer protection prior to publication. *See* Pope v. Curl, 26 Eng. Rep. 608, 2 Atk. 342 (1741).

[69] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 543 (1985).

[70] *See id.*

[71] *See id.* at 569.

[72] *See id.* at 554–55.

[73] *See id.* at 557.

er's craft, trying out ideas, images, metaphors, cadences, which may eventually be incorporated into published work.[74]

The attempt to distinguish, for purposes of the second fair use factor, between work created for publication and other written matter should recognize that the copyright objectives include a reasonable solicitude for the ability of the author to practice the craft in the privacy of the laboratory. A critique of an author's writing based solely on rough drafts that the author had superseded might well be an unreasonable intrusion.[75]

On the other hand, notwithstanding the highly protected status of a draft, the privacy of the laboratory should yield in some situations. Assume the following hypothetical cases:

> (1) An author's first novel is greeted with critical acclaim for its elegant style and masterful command of the language. A skeptical critic undertakes to show that the author is a literary fraud, the creation of a talented and unscrupulous editor. In support, the critic quotes brief excerpts from the author's very different original manuscript, revealing a grammatical ignorance and stylistic awkwardness she contends could not conceivably have come from the same pen as the elegant published version. The author sues to enjoin publication of the review.
>
> (2) Author *A* publicly accuses Author *B* of plagiarism; *A* claims that *B*'s recently published book steals a metaphor from a letter *A* wrote to *B*. *B* denies the charge and asserts that his first draft, written before he received *A*'s letter, included the same language. The critic quotes from *B*'s first draft, disproving *B*'s defense by showing that the metaphor was not yet present.

Both examples seem convincing cases of fair use, in which the critic's productive and transformative justification would take precedence over the author's interest in maintaining the privacy of the unpublished draft.[76]

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[74] A recent *New Yorker* cartoon by David Jacobson imagines James Joyce's to-do list posted on his refrigerator. It reads:

TO DO:
1. Call Bank.
2. Dry Cleaner.
3. Forge in the smithy of my soul the uncreated conscience of my race.
4. Call Mom.

NEW YORKER, Sept. 25, 1989, at 100.

[75] Professor Fisher suggests a per se rule barring fair use of material that the original author considered unfinished, on the grounds of injury to the creative process resulting from premature divulgence and absence of benefit. His discussion assumes, however, that the original author's work was created, and is destined, for publication. His reasoning does not apply to a biographer's quotation of an unfinished and abandoned love letter, an extortion demand, or a shopping list. *See* Fisher, *supra* note 31, at 1780.

[76] I therefore question the validity of Chief Judge Oakes' interpretation of *Salinger* in his

In summary, several principles emerge from considering the second factor in light of the copyright objectives: this factor concerns the protection of the reasonable expectations of one who engages in the kinds of creation/authorship that the copyright seeks to encourage. Thus, a text, including drafts, created for publication, or on its way to publication, presents a far stronger case for protection against fair use than matter written exclusively for private purposes. The more the copyrighted matter is at the center of the protected concerns of the copyright law, the more the other factors, including justification, must favor the secondary user in order to earn a fair use finding. The fact that a document is unpublished should be of small relevance unless it was created for or is on its way to publication.[77] If, on the other hand, the writing is on its way to publication, and premature secondary use would interfere significantly with the author's incentives, its as yet unpublished status may argue powerfully against fair use. Finally, this factor is but one of four — it is not a sufficient basis for ruling out fair use. There is no logical basis for making it determinative, as was effectively done in *Salinger* and *New Era*. Although the second factor implies a characterization of the protected work on a scale of copyright-protected values, no category of copyrighted material is either immune from use or completely without protection. Wholesale appropriation of the expressive language of a letter, without a transformative justification, should not qualify as fair use, even though the writer of the letter had never considered publication. On the other hand, if a sufficient justification exists, and the quotations do not cause significant injury to the author's entitlements, courts may allow even quotations from an unpublished draft of a novel.

3. Factor Three — Amount and Substantiality. — The third statutory factor instructs us to assess "the amount and substantiality of the portion used in relation to the copyrighted work as a whole."[78] In general, the larger the volume (or the greater the importance) of what is taken, the greater the affront to the interests of the copyright owner, and the less likely that a taking will qualify as a fair use.

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opinion in *New Era*: "quotation used merely to demonstrate writing style may not qualify for the fair use defense." New Era Publications Int'l v. Henry Holt & Co., 873 F.2d 576, 592 (2d Cir. 1989) (Oakes, C.J., concurring).

[77] William Patry has expressed readiness, based on these arguments, to amend his previous positions as outlined in THE FAIR USE PRIVILEGE IN COPYRIGHT LAW, cited above in note 3.

> [He] confesses to mechanically reciting the adage "there is no fair use of unpublished works," thereby failing to adequately take into account the different types of unpublished works and uses thereof . . . [as well as to] mechanically recit[ing that] "harm is presumed when a prima facie case of infringement has been made out" thereby inviting . . . confusion between substantive law and remedy . . . .

Editor's Note, 36 J. COPYRIGHT SOC'Y, note 3 (Apr. 1989).

[78] 17 U.S.C. § 107(3) (1982).

This factor has further significance in its bearing on two other factors. It plays a role in consideration of justification under the first factor (the purpose and character of the secondary use); and it can assist in the assessment of the likely impact on the market for the copyrighted work under the fourth factor (the effect on the market).

As to the first factor, an important inquiry is whether the selection and quantity of the material taken are reasonable in relation to the purported justification. A solid transformative justification may exist for taking a few sentences that would not, however, justify a taking of larger quantities of material.

In its relation to the market impact factor, the *qualitative* aspect of the third test — "substantiality" — may be more important than the quantitative. In the case of President Ford's memoir, a taking of no more than 400 words constituting "'the heart of the book'"[79] caused cancellation of the first serialization contract — a serious impairment to the market for the book. As to the relationship of *quantity* to the market, presumptively, of course, the more taken the greater the likely impact on the copyright holder's market, and the more the factor favors the copyright holder. Too mechanical a rule, however, can be dangerously misleading. One can imagine secondary works that quote 100% of the copyrighted work without affecting market potential. Consider, for example, a lengthy critical study analyzing the structure, symbolism and meaning, literary antecedents and influences of a single sonnet. Fragments dispersed throughout the work of criticism may well quote every word of the poem. Such quotation will not displace the market for the poem itself. If there is strong justification and no adverse market impact, even so extensive a taking could be a fair use.

Too rigid a notion of permissible quantity, furthermore, can seriously distort the inquiry for very short memos or communications. If a communication is sufficiently brief, any quotation will necessarily take most or all of it. Consider, for example, the extortion note discussed above.[80] A journalist or historian may have good reason to quote it in full, either for historical accuracy, to show the character of the writer, or to suggest its effect on the recipient. The copyright holder, in seeking to enjoin publication, will argue that the journalist has taken not only the heart but the whole of the protected work. There are three responses, which relate to the first, second, and fourth factors. First, there may be a powerful justification for quotation of the entirety of a short note. Second, because the note was written for private motives and not for publication, quotation will not diminish the inducement to authors to create works for the public benefit. Finally, because the note is most unlikely to be marketed as a work of its author, there is no effect on its market. Courts must then evaluate the significance of the amount and substantiality factor in relation to the copyright objectives; they must consider the justification for the secondary use and the realistic risk of injury to the entitlements of authorship.

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[79] Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 565 (1985) (quoting Harper & Row, Publishers, Inc. v. Nation Enters., 557 F. Supp. 1067, 1072 (S.D.N.Y. 1983)).

[80] *See supra* text accompanying note 55.

4. *Factor Four — Effect on the Market.* — The fourth factor addresses "the effect of the use upon the potential market for the copyrighted work."[81] In the *Nation*, the Supreme Court designated this "the single most important element of fair use."[82] The Court's recognition of the importance of this factor underlines, once again, that the copyright is not a natural right inherent in authorship. If it were, the impact on market values would be irrelevant; any unauthorized taking would be obnoxious. The utilitarian concept underlying the copyright promises authors the opportunity to realize rewards in order to encourage them to create. A secondary use that interferes excessively with an author's incentives subverts the aims of copyright. Hence the importance of the market factor.[83]

Although the market factor is significant, the Supreme Court has somewhat overstated its importance. When the secondary use does substantially interfere with the market for the copyrighted work, as was the case in *Nation*, this factor powerfully opposes a finding of fair use. But the inverse does not follow. The fact that the secondary use does not harm the market for the original gives no assurance that the secondary use is justified.[84] Thus, notwithstanding the importance of the market factor, especially when the market is impaired by the secondary use, it should not overshadow the requirement of justification under the first factor, without which there can be no fair use.

How much market impairment must there be to turn the fourth factor against the secondary user? By definition every fair use involves some loss of royalty revenue because the secondary user has not paid royalties.[85] Therefore, if an insubstantial loss of revenue turned the fourth factor in favor of the copyright holder, this factor would never weigh in favor of the secondary user.[86] And if we then gave serious deference to the proposition that it is "undoubtedly the single most important element of fair use,"[87] fair use would become defunct. The market impairment should not turn the fourth factor unless it is reasonably substantial.[88] When the injury to the copyright holder's potential market would substantially impair the incentive to create works for publication, the objectives of the copyright law require that this factor weigh heavily against the secondary user.

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[81] 17 U.S.C. § 107(4) (1982).

[82] *Nation*, 471 U.S. at 566.

[83] This reasoning assumes that the author created the copyrighted matter with the hope of generating rewards. It has no bearing on materials written for personal reasons, independent of the hope of commanding a market.

[84] An unjustified taking that enhances the market for the copyrighted work is easy to imagine. If, for example, a film director takes an unknown copyrighted tune for the score of a movie that becomes a hit, the composer may realize a windfall from the aftermarket for his composition. Nonetheless, if the taking is unjustified under the first factor, it should be considered an infringement, regardless of the absence of market impairment.

Because the fourth factor focuses on the "*potential*" market, *see Nation*, 471 U.S. at 568 (emphasis in original), perhaps such a case should be considered an impairment, despite the bonanza. The taking of the tune for the movie forecloses its eligibility for use in another film.

[85] It does not necessarily follow that the fair use doctrine diminishes the revenues of copyright

Not every type of market impairment opposes fair use. An adverse criticism impairs a book's market. A biography may impair the market for books by the subject if it exposes him as a fraud, or satisfies the public's interest in that person. Such market impairments are not relevant to the fair use determination. The fourth factor disfavors a finding of fair use only when the market is impaired because the quoted material serves the consumer as a substitute,[89] or, in Story's words "supersede[s] the use of the original."[90] Only to that extent are the purposes of copyright implicated.

B. Are There Additional Factors?

1. False Factors. — The language of the Act suggests that there may be additional unnamed factors bearing on the question of fair use.[91] The more I have studied the question, the more I have come to conclude that the pertinent factors are those named in the statute. Additional considerations that I and others have looked to are false factors that divert the inquiry from the goals of copyright. They may have bearing on the appropriate remedy, or on the availability of

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holders. If a royalty obligation attached to every secondary use, many would simply forgo use of the primary material in favor of free substitutes.

[86] *Cf.* Fisher, *supra* note 31, at 1671–72.

[87] *Nation*, 471 U.S. at 566.

[88] Although the *Salinger* opinion acknowledged that the biography "would not displace the market for the letters," it counted this factor in the plaintiff's favor because "some impairment of the market seem[ed] likely." Salinger v. Random House, Inc., 811 F.2d 90, 99 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987). This potential impairment, furthermore, resulted not from the copying of Salinger's words but from the readers' mistaken belief, based on the biographer's use of phrases such as "he wrote," "said Salinger," and "Salinger declares," that they had read Salinger's words. *See id.* The *New Era* opinion also awarded this factor to the plaintiff on a speculative assessment of slight market impairment. *See New Era*, 873 F.2d at 583. I believe the criterion requires a more substantial injury. *See* Fisher, *supra* note 31, at 1671–72.

[89] *See Salinger*, 650 F. Supp. at 425.

[90] Folsom v. Marsh, 9 F. Cas. 342, 345 (C.C.D. Mass. 1841) (No. 4901).

[91] The statute states that "the factors to be considered shall include" the four factors. *See* 17 U.S.C. § 107 (1982). "The terms 'including' and 'such as' are illustrative and not limitative." *Id.* § 101.

another cause of action to vindicate a wrong, but not on the fair use defense.

(a) Good Faith. — In all areas of law, judges are tempted to rely on findings of good or bad faith to justify a decision. Such reasoning permits us to avoid rewarding morally questionable conduct. It augments our discretionary power. It provides us with an escape from confronting questions that are difficult to understand. The temptation has been particularly strong in dealing with the difficult issue of fair use.[92] This practice is, however, misguided. It produces anomalies that conflict with the goals of copyright and adds to the confusion surrounding the doctrine.

Copyright seeks to maximize the creation and publication of socially useful material. Copyright is not a privilege reserved for the well-behaved. Copyright protection is not withheld from authors who lie, cheat, or steal to obtain their information. If they have stolen information, they may be prosecuted or sued civilly, but this has no bearing on the applicability of the copyright. Copyright is not a reward for goodness but a protection for the profits of activity that is useful to the public education.

The same considerations govern fair use. The inquiry should focus not on the morality of the secondary user, but on whether her *creation* claiming the benefits of the doctrine is of the type that should receive those benefits. This decision is governed by the factors reviewed above — with a primary focus on whether the secondary use is productive and transformative and whether it causes excessive injury to the market for the original. No justification exists for adding a morality test. This is of course not an argument in favor of immorality. It favors only proper recognition of the scope and goals of a body of law.

A secondary user, like an original author, may be liable to criminal prosecution, or to suit in tort, if she has stolen information or has committed fraud. Furthermore, if she has infringed upon a copyright, morally reprehensible conduct may influence the remedy, including the availability of both an injunction and additional damages for willfulness.[93]

This false morality factor derives from two misunderstandings of early precedent. The first results from the use of words like "piracy" and the Latin phrase "*animus furandi*" in early decisions. In rejecting the defense of fair use, courts sometimes characterized the offending secondary work as having been written *animo furandi* (with intention of stealing). Although this characterization seemed to imply that fair use requires honest intentions, the courts reasoned in the opposite direction. The decisions did not explore the mental state of the secondary user to determine whether fair use was shown. They examined the secondary text to determine whether it made a productive transformative use or merely restated the original. If they found no productive use justifying the taking, judges adorned the conclusion of infringement with words like piracy or *animus furandi*.[94] The morality of the secondary user's conduct played no role in the decision. The irrelevance of the morality of the secondary user's conduct was underlined in decisions like *Folsom v. Marsh*.[95] There Justice Story emphasized not only the good faith and "meritorious labors" of the defendants, but also the usefulness of their work. Finding no "bona fide abridgement"[96] (what I have described as a transformative use), Justice Story nonetheless concluded with "regret" that good faith could not save the secondary work from being "deemed in law a piracy."[97]

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[92] *See* Time Inc. v. Bernard Geis Assocs., 293 F. Supp. 130, 146 (S.D.N.Y. 1968); W. PATRY, *supra* note 3, at 121.

[93] *See* 17 U.S.C. § 504(c)(2) (1982) (providing for additional damages if a willful infringement is found).

A second misleading assumption is that fair use is a creature of equity.[98] From this assumption it would follow that unclean hands and all other equitable considerations are pertinent. Historically this notion is incorrect. Litigation under the Statute of Anne began in the law courts.[99] Although plaintiffs who sought injunctions could sue, and did, in the courts of equity,[100] which exercised parallel jurisdiction, the fair use doctrine did not arise out of equitable considerations. Fair use was a judge-made utilitarian limit on a statutory right. It balances the social benefit of a transformative secondary use against injury to the incentives of authorship.

The temptation to determine fair use by reference to morality also can lead to examination of the conduct and intentions of the plaintiff copyright holder in bringing the suit. The secondary user may contend that the copyright holder is disingenuously invoking copyright remedies as a device to suppress criticism or protect secrecy.[101] Such considerations are also false leads.

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[94] *See, e.g.*, Cary v. Kearsley, 170 Eng. Rep. 679, 4 Esp. 168 (1802); Jarrold v. Houlston, 69 Eng. Rep. 1294, 1298, 3 K. & J. 708, 716–17 (1857); *see also* Marcus v. Rowley, 695 F.2d 1171, 1175 (9th Cir. 1983) ("[F]air use presupposes that the defendant has acted fairly and in good faith . . . ."); Iowa State Univ. Research Found., Inc. v. American Broadcasting Co., 621 F.2d 57, 62 (2d Cir. 1980) (noting the relevance of conduct to fair use).

[95] 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901).

[96] *Id.* at 349.

[97] *Id.* at 345; *see also* Wihtol v. Crow, 309 F.2d 777, 780 (8th Cir. 1962) (stating that a lack of intent to infringe does not entitle a defendant to the protections of the fair use doctrine); Reed v. Holliday, 19 F. 325, 327 (C.C.W.D. Pa. 1884) ("Intention . . . is . . . of no moment if infringement otherwise appears."); Scott v. Stanford, 3 L.R.-Eq. 718, 723 (1867) (holding that the honest intentions of a defendant are immaterial if the resulting work infringes plaintiff's copyright).

[98] *See, e.g.*, Sony Corp. of Am. v. Universal City Studios, Inc. 464 U.S. 417, 448 (1984) (applying an "equitable rule of reason"); *see also* S. REP. NO. 473, 94th Cong., 1st Sess. 62 (1975) ("[S]ince the doctrine is an equitable rule of reason, no . . . applicable definition is possible . . . ."); H.R. REP. NO. 1476, 94th Cong., 2d Sess. 65 (1976).

[99] *See* W. PATRY, *supra* note 3, at 3–5.

[100] *See, e.g.*, Dodsley v. Kinnersley, 27 Eng. Rep. 270 (1761) (seeking an injunction to prevent further publication of a novel abstract).

Like a proprietor of land or an owner of contract rights, the copyright owner may sue to protect what he owns, regardless of his motivation. His rights, however, extend only to the limits of the copyright. As fair use is not an infringement, he has no power over it. Whether the secondary use is within the protection of the doctrine depends on factors pertinent to the objectives of the copyright law and not on the morality or motives of either the secondary user or the copyright-owning plaintiff.

(b) Artistic Integrity. — There are many who deplore our law's failure to protect artistic integrity. French law enforces the concept of the *droit moral d'artiste*, which covers among other things a right of paternity (the right to be acknowledged as author of the work), the right to preserve a work from mutilation or change, the right to withdraw or modify a work already made public, and the right to determine whether or not a work shall be published.[102]

Those who would adopt similar rules in United States law seek a place for them in the copyright law, which is understandable in view of the absence of other niches. I do not oppose our adoption of such rights for artists. I do, however, oppose converting our copyright law, by a wave of a judicial magic wand, into an American *droit moral*. To do so would generate much unintended mischief. Our copyright law has developed over hundreds of years for a very different purpose and with rules and consequences that are incompatible with the *droit moral*.

As the copyright privilege belongs not only to Ernest Hemingway but to anyone who has drafted an interoffice memo or dunning letter or designed a computer program, it would be preposterous to permit all of them to claim, as an incident to copyright, the right to public acknowledgement of authorship, the right to prevent publication, the right to modify a published work, and to prevent others from altering their work of art. If we wish to create such rights for the protection of artists, we should draft them carefully as a separate body of law, and appropriately define what is an artist and what is a work of art.[103] Those difficult definitions should be far narrower than the range of copyright protection. We ought not simply distort copyright to convey such absolutes.

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[101] *See, e.g.*, Rosemont Enters., Inc. v. Random House, Inc., 366 F.2d 303, 311 (2d Cir. 1966) (Lumbard, C.J., concurring), *cert. denied*, 385 U.S. 1009 (1967); New Era Publications Int'l v. Henry Holt & Co., 695 F. Supp. 1493, 1526 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir. 1989).

[102] *See* DaSilva, *Droit Moral and the Amoral Copyright*, 28 BULL. COPYRIGHT SOC'Y 1, 3–4 (1980). *See generally* Ginsburg, *French Copyright Law: A Comparative Overview*, 36 J. COPYRIGHT SOC'Y 269 (1989).

(c) Privacy. — The occasional attempt to read protection of privacy into the copyright is also mistaken.[104] This trend derives primarily from an aberrational British case of the mid-nineteenth century in which there had been no replication of copyrighted material.

Queen Victoria and Prince Albert had made etchings which were exhibited privately to friends. The defendant Strange, a publisher, obtained copies surreptitiously. Strange wrote descriptions of the etchings and sought to publish his descriptions. Prince Albert brought suit to enjoin this intolerable intrusion. The Lord Chancellor, expressing concern for the privacy of the royal family and disapproval of the surreptitious manner by which the defendant had obtained copies of the etchings, affirmed the grant of an injunction.[105]

Prince Albert's case is noteworthy as the seed from which grew the American right of privacy, after fertilization by Brandeis and Warren.[106] But it should not be considered a meaningful precedent for our copyright law. The decision reflects circumstances that distinguish British law from ours — particularly the absence from British law of two of our doctrines. First, although British society placed a higher value on privacy than we do, English law did not have a right of privacy.[107] In this country, a right to privacy has explicitly developed to shield private facts from intrusion by publication.[108] Second,

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[103] *See* Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (to be codified in scattered sections of 17 U.S.C.).

[104] *See, e.g.*, Newman, *Copyright Law and the Protection of Privacy*, 12 COLUM.-VLA J.L. & ARTS 459 (1988).

[105] *See* Prince Albert v. Strange, 41 Eng. Rep. 1171, 1171–72, 1178–79, 1180, 1 Mac. & G. 25, 25–27, 40, 44–45, 48 (1849), *aff'g* 64 Eng. Rep. 293, 2 DeG. & Sm. 652 (1849).

[106] *See* Warren & Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890).

[107] *See generally* REPORT OF THE COMMITTEE ON PRIVACY, Command Papers 5, No. 5012, at 5–12, 202–07 (1972) (recommending against the creation of a statutory general right of privacy).

[108] The RESTATEMENT (SECOND) OF TORTS § 652A (1977) formulates a cause of action for invasion of privacy, which may arise from unwarranted publication of private facts. Numerous states recognize such a privacy action. Relief is typically available if the publicized matter would be highly offensive to a reasonable person and if no strong public interest exists in the disclosure of the facts. *See, e.g.*, Reed v. Real Detective Publishing Co., 63 Ariz. 294, 304–05, 162 P.2d 133, 138 (1945); Goodrich v. Waterbury Republican-Am., Inc., 188 Conn. 107, 128, 448 A.2d 1317, 1329 (1982); Florida Publishing Co. v. Fletcher, 340 So. 2d 914, 919 (Fla. 1976) (Sundberg, J., dissenting) (discussing the absence of an invasion of privacy action when publishing matters of legitimate public interest), *cert. denied*, 431 U.S. 930 (1977); Midwest Glass Co. v. Stanford Dev. Co., 34 Ill. App. 3d 130, 133, 339 N.E.2d 274, 277 (1975); Beaumont v. Brown, 401 Mich. 80, 96, 257 N.W.2d 522, 527 (1977) (discussing invasion of privacy based on public disclosure of embarrassing private facts); Deaton v. Delta Democrat Publishing Co., 326 So. 2d 471 (Miss. 1976) (holding that plaintiff alleged facts sufficient to establish an invasion of

British law did not include a strong commitment to the protection of free speech.[109] American law, in contrast, maintains a powerful constitutional policy that sharply disfavors muzzling speech.

Serious distortions will occur if we permit our copyright law to be twisted into the service of privacy interests. First, it will destroy the delicate balance of interests achieved under our privacy law. For example, the judgment that, in the public interest, the privacy right should terminate at death would be overcome by the additional fifty years tacked onto copyright protection. Such a change would destroy the policy judgment developed under privacy law denying its benefits to persons who have successfully sought public attention. In addition, as a result of the preemption provisions of the federal copyright statute,[110] construing the copyright law to encompass privacy might nullify state privacy laws.

Moreover, the copyright law is grotesquely inappropriate to protect privacy and obviously was not fashioned to do so. Copyright protects only the expression, not the facts revealed, and thus fails to protect the privacy interest involved.[111] Because the copyright generally cannot be enforced without a *public* filing in the Library of Congress, the very act required to preserve privacy would ensure its violation. Finally, incorporating privacy concerns into copyright would burden us with a bewilderingly schizophrenic body of law that would simultaneously seek to reveal and to conceal. Privacy and concealment are antithetical to the utilitarian goals of copyright.

C. Injunction

One of the most unfortunate tendencies in the law surrounding fair use is the notion that rejection of a fair use defense necessarily

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privacy claim); Sofka v. Thal, 662 S.W.2d 502, 510 (Mo. 1983); Commonwealth v. Hayes, 489 Pa. 419, 432–33, 414 A.2d 318, 324–25, *cert. denied*, 449 U.S. 992 (1980); Industrial Found. of the South v. Texas Indus. Accident Bd., 540 S.W.2d 668, 682 (Tex. 1976) (discussing Prosser's categorization of an invasion of privacy action into four distinct torts), *cert. denied*, 430 U.S. 931 (1977); *see also* RESTATEMENT (SECOND) OF TORTS § 652E (1977) (discussing "false light" invasion of privacy). Some commentators have argued for change in the doctrine. *See, e.g.*, Zimmerman, *Requiem for a Heavyweight: A Farewell to Warren and Brandeis' Privacy Tort*, 68 CORNELL L. REV. 291 (1983) (arguing for a shift in focus away from the amount of publicity given to private information).

[109] *Cf.* E. BARENDT, FREEDOM OF SPEECH 304–07 (1985) (arguing that British law does not protect freedom of speech as fully as American or German law and recommending the adoption of a "free speech clause" for Britain); Lee, *Bicentennial Bork, Tercentennial* Spycatcher*: Do the British Need a Bill of Rights?*, 49 U. PITT. L. REV. 777, 811–15 (1988) (discussing the Spycatcher incident as having provoked the adoption of a bill of rights to protect free speech more adequately).

[110] *See* 17 U.S.C. § 301 (1982).

[111] *See id.* § 102(b); *see also* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985).

implicates the grant of an injunction. Many commentators have disparaged the overly automatic tendency of courts to grant injunctive relief.[112] The copyright statute and its predecessors express no preference for injunctive relief. The 1976 Act states only that a court "may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright."[113] Moreover, the tendency toward the automatic injunction can harm the interests of plaintiff copyright owners, as well as the interests of the public and the secondary user. Courts may instinctively shy away from a justified finding of infringement if they perceive an unjustified injunction as the inevitable consequence.[114]

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[112] Benjamin Kaplan chided courts for "sometimes forg[etting] that an injunction does not go of course; the interest in dissemination of a work may justify a confinement of the remedy to a money recovery." B. KAPLAN, *supra* note 68, at 73. Professor Nimmer, noting judicial authority requiring an injunction, cautions that "where great public injury would be worked by an injunction, the courts might follow cases in other areas of property law, and award damages or a continuing royalty instead of an injunction in such special circumstances." 3 M. NIMMER, THE COPYRIGHT LAW § 14.06[B], at 14-56 (1989). The remedial standard suggested by the *Restatement (Second) of Torts* would allow courts to award a plaintiff damages when countervailing interests, including free speech, disfavor an injunction. *See* RESTATEMENT (SECOND) OF TORTS § 951 comment a (1979); *id.* § 942 comment e; *see also* Abrams, *First Amendment and Copyright*, 35 J. COPYRIGHT SOC'Y 1, 3, 12 (1987) (urging that first amendment values should be viewed as a basis for making copyright law more responsive to the shared values of the nation); Goldstein, *Copyright and the First Amendment*, 70 COLUM. L. REV. 983, 1030 (1970) (arguing that one way to accommodate copyright property with the public interest in access is to prefer an award of damages to an injunctive remedy); Wishingrad, *First Amendment "Fair Use,"* N.Y.L.J., May 22, 1989, at 2, cols. 3–5 (arguing that courts should select other remedies to avoid infringing the first amendment).

[113] 17 U.S.C. § 502(a) (1982).

[114] An example of such confusion, I confess, may be my own opinion in *Salinger*. With hindsight, I suspect my belief that the book should not be enjoined made me too disposed to find fair use where some of the quotations had little fair use justification.

I believe Professor Weinreb's analysis could similarly deprive copyright owners of their lawful entitlements. Professor Weinreb argues that fair use should not be understood as a part of copyright law, designed exclusively to help achieve its objectives, but as a limitation on copyright based also on other social policies including fairness. It is incorrect, he argues, to restrict fair uses to those that make creative use of the copyrighted material. In some cases, concerns for the public interest will demand that the secondary user's presentation be exempt from the copyright owner's rights, notwithstanding unproductive copying. As an example he cites the finding of fair use involving an unauthorized publication of a copy of a spectator's film of President Kennedy's assassination. *See* Weinreb, *supra* note 67, at 1143 (citing Time Inc. v. Bernard Geis Assocs., 293 F. Supp. 130 (S.D.N.Y. 1968)).

Let us explore Professor Weinreb's example. Assume as our plaintiff a gifted news photographer who, through a combination of diligence, preparedness, rapidity, imagination, instinct, skill, sense of composition, and other undefinable artistic gifts, manages again and again to take captivating photographs of cataclysmic or historic occurrences. According to Professor Weinreb's analysis, the more successful he is in the practice of his creative art, the less copyright protection he has. When there is a sufficiently great public interest in seeing his documentary recordings, he loses his right to receive compensation for them. In the public interest, the newspapers, Legal rhetoric has dulled thought on the injunction remedy. It is a venerable maxim that irreparable injury is "presumed" in a case of copyright infringement.[115] Injunction thus follows as a matter of course upon a finding of infringement. In the vast majority of cases, this remedy is justified because most infringements are simple piracy. Successful fabric designs, fashion accessories, toys, and videos instantly spawn parasitic industries selling cheap copies. These infringers incur no development cost, no advertising expense, and little risk. They free-ride on the copyright owner's publicity, undercut the market, and deprive the copyright owner of the rewards of his creation. Allowing this practice to flourish destroys the incentive to create and thus deprives the public of the benefits copyright was designed to secure. It is easy to justify enjoining such activity. In fact, the presumption of irreparable harm is probably unnecessary. It merely simplifies and reduces the cost of proving what could be shown without a presumption.

Such cases are worlds apart from many of those raising reasonable contentions of fair use. Historians, biographers, critics, scholars, and journalists regularly quote from copyrighted matter to make points essential to their instructive undertakings. Whether their takings will pass the fair use test is difficult to predict. It depends on widely varying perceptions held by different judges. Yet there may be a strong public interest in the publication of the secondary work. And the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found.

In such cases, should we indulge a presumption of irreparable harm and grant injunctions as a matter of course? According to the *Salinger* opinion, "if [a biographer] copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined . . . ."[116] Judge Miner's majority opinion in *New Era* extended this

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news magazines, and television networks may simply take and republish his photographs without payment. That is fair use.

I think Professor Weinreb's example proves the contrary of his point. He confuses the author's copyright with the questions of remedy. It makes no sense that an "author," whose art and livelihood are to make news photographs that the public will desperately need to see, loses his right to compensation for his labors because he succeeds in his endeavors. On the other hand, the public interest disfavors an injunction barring the dissemination of such a work. The conflict is not difficult to reconcile. The taking of the author's photographs for public display is not fair use; the copyright holder may sue for compensation for the unauthorized republication of his work. The public interest may nevertheless override the right he otherwise would have had to bar distribution. He will be denied an injunction, but will recover damages. Both the copyright law and the public interest will thus be vindicated.

[115] *See* LATMAN'S THE COPYRIGHT LAW, *supra* note 16, at 278 & n.105.

[116] Salinger v. Random House, Inc., 811 F.2d 90, 96 (2d Cir.), *cert. denied*, 480 U.S. 890 (1987).

proposition, expressly rejecting the idea that the public interest in publication of an informative biography could outweigh the copyright owner's preference for an injunction.[117] Upon application for rehearing en banc, Judge Newman, author of the *Salinger* opinion but not a part of the *New Era* panel, writing in favor of rehearing of *New Era*, retracted *Salinger's* seminal assertion. Judge Newman explained that his phrase "deserves to be enjoined" had meant nothing more than "deserves to be found liable for infringement."[118] He pointed out that in *Salinger* there had been no dispute over the appropriateness of injunctive relief. Because at the time of the lawsuit the book was in prepublication copy, the infringing passages could be easily excised or altered without destroying the book. Thus there was no good reason to deny the injunction. Judge Newman's *New Era* opinion goes on to argue convincingly that the public interest is always relevant to the decision whether to grant an injunction.[119]

The customary bias in favor of the injunctive remedy in conventional cases of copyright infringement has no proper application to the type of case here discussed. When a court rejects a fair use defense, it should deal with the issue of the appropriate remedy on its merits.[120] The court should grant or deny the injunction *for reasons*, and not simply as a mechanical reflex to a finding of infringement. Plaintiffs should be required to demonstrate irreparable harm and inadequacy of compensation in damages.[121] As Chief Judge Oakes noted in his separate opinion in *New Era*, "Enjoining publication of a book is not to be done lightly. . . . [T]he grant or denial of an injunction remains an open question, to be determined by carefully balancing the appropriate factors."[122]

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[117] *See* New Era Publications Int'l v. Henry Holt & Co., 873 F.2d 576, 584 (2d Cir. 1989).

[118] New Era Publications Int'l v. Henry Holt & Co., 884 F.2d 659, 663 n.1 (2d Cir. 1989) (Newman, J., dissenting) (advocating rehearing en banc).

[119] *See id.* at 664. In his new article, Judge Newman emphasizes the importance of the public interest in determining the availability of an injunction. *See* Newman, *supra* note 51.

[120] *See supra* note 77.

[121] The appropriate measure of damages will raise questions because of the vagueness of the statutory standard. 17 U.S.C. § 504(b) grants the copyright owner his "actual damages suffered . . . and any profits of the infringer that are attributable to the infringement." *Id.* He is permitted, however, to elect instead "statutory damages" of $500 to $20,000 per work infringed. If the infringement was "committed willfully," this statutory award may be increased to $100,000. It may be reduced to $200 if infringers in certain narrow categories believed on reasonable grounds that fair use had been made. *See* 17 U.S.C.A. § 504(c) (West Supp. 1989). A court has wide discretion in setting the award.

It is altogether proper for courts to distinguish in fixing damages between bad faith appropriation and a good faith miscalculation of the permissible scope of fair use. Unquestionably in some circumstances damages should be set to punish and deter. In other instances, no punitive content would be appropriate; fairness would rather suggest reasonable compensation for the use of literary property — a kind of compulsory license.

Where a court has found infringement but denied an injunction, a defendant may limit the risk of catastrophic liability for further distribution of the infringing work by counterclaiming for a declaratory judgment fixing the measure of damages.

As with other issues arising in connection with a fair use defense, analysis of this issue should reflect the underlying goals of the copyright law to stimulate the creation and publication of edifying matter. In considering whether the plaintiff would suffer irreparable harm, the court should focus on harm to the plaintiff's interest *as copyright owner*. A public figure may suffer irreparable injury to his reputation if publication of extracts from his private papers reveals him to be dishonest, cruel, or greedy. An individual suffers irreparable harm by the revelation of facts he would prefer to keep secret. But those are not the types of harms against which the copyright law protects; despite irreparability, they should not justify an injunction based on copyright infringement. Only injuries to the interest in authorship are the copyright's legitimate concern.

Critics of these views express concern that obstacles to injunctive relief may undermine the incentives of authorship for which copyright law was created. If the grant or denial of injunction is informed by the concerns of copyright law, such a worry will prove groundless. If the infringement is of a type likely to diminish creative incentives, the court should favor an injunction. In a case like the *Nation*, where the infringement deprives the author of significant monetary and nonmonetary rewards of authorship, and where, as the Supreme Court found, such infringement diminishes the incentive to public figures to write valuable memoirs, an injunction would be justified. If, on the other hand, the original document had been created for purely private purposes and not as a work of authorship for the public benefit, denial of an injunction would not adversely affect creative incentives. For reasons similar to those discussed under the second factor, courts should more readily grant an injunction where the original is a work of authorship created with a view to publication (or is on its way to publication) than in the case of private communicative documents created for reasons that are not the concerns of copyright law.[123]

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[122] *New Era*, 873 F.2d at 596 (Oakes, C.J., concurring).

[123] Furthermore, although the change of approach to remedy suggested here may sound substantial, I believe based on my experience adjudicating copyright cases in federal court that it would have no significant statistical effect on the grant of injunctions. Of the 150–200 copyright cases that have come before me (by random distribution) in 12 years on the bench, the vast majority involved unmistakable copying without claim of fair use and resulted in injunctions; additional cases presented disputes over performance of the terms of licensing agreements; a few involved overambitious claims, where the similarity was attributable to coincidence or to the fact that both the plaintiff and defendant were copying the same conventional model; in some, the similarity related to unprotected elements such as facts, styles, or ideas. None of those cases are affected by the suggested approach to injunctions. Fewer than ten have involved colorable claims of fair use. Half of these were in the area of advertising;

In my argument against automatically granting injunctive relief, I have deliberately refrained from invoking the support of the first amendment's opposition to prior restraints. I have excluded such arguments not because they are irrelevant but because they are unnecessary and risk importing confusion. Although copyright often results in suppression of speech, its underlying objectives parallel those of the first amendment. "[T]he Framers intended copyright . . . to be the engine of free expression."[124] It "is intended to increase and not to impede the harvest of knowledge";[125] "[t]o promote the Progress of Science and the useful Arts";[126] to encourage "Learned [writers] to compose and write useful Books."[127] It was never intended to serve the goals of secrecy and concealment. Thus, the copyright law on its own terms, and not merely in deference to the first amendment, demands caution in awarding oppressive injunctions.

III. CONCLUSION

A question to consider in conclusion is whether imprecision — the absence of a clear standard — in the fair use doctrine is a strength or a weakness. The case that it is a weakness is easy to make. Writers, publishers, and other would-be fair-users lack a reliable guide on how to govern their conduct. The contrary argument is more abstract. Perhaps the abundance of disagreement reflects the difficulty of the problem. As Justice Story wrote in 1841, it is not easy "to lay down any general principles applicable to all cases."[128] A definite standard would champion predictability at the expense of justification and would stifle intellectual activity to the detriment of the copyright objectives. We should not adopt a bright-line standard unless it were a good one — and we do not have a good one.

We can nonetheless gain a better understanding of fair use and greater consistency and predictability of court decisions by disciplined focus on the utilitarian, public-enriching objectives of copyright — and by resisting the impulse to import extraneous policies. Fair use is not a grudgingly tolerated exception to the copyright owner's rights of private property, but a fundamental policy of the copyright law.

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fair use was rejected and an injunction appropriately granted. Only in three or four cases, or approximately two percent, could differing views conceivably have affected the standard. I can think of only one where my grant or denial of an injunction would turn on whether the traditional or the suggested approach were followed. If my experience is representative, this approach to the injunction remedy would not undermine the incentives that the copyright seeks to foster.

[124] Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985).

[125] *Id.* at 545.

[126] U.S. CONST. art. I, § 8, cl. 8.

[127] Act for the Encouragement of Learning, 1709, 8 Anne, ch. 19.

[128] Folsom v. Marsh, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 4901).

The stimulation of creative thought and authorship for the benefit of society depends assuredly on the protection of the author's monopoly. But it depends equally on the recognition that the monopoly must have limits. Those limits include the public dedication of facts (notwithstanding the author's efforts in uncovering them); the public dedication of ideas (notwithstanding the author's creation); and the public dedication of the right to make fair use of material covered by the copyright.

UNITED STATES DISTRICT COURT
PIERRE N. LEVAL
DISTRICT JUDGE
FOLEY SQUARE
NEW YORK, N. Y. 10007

November 1, 1990

Hon. Paul Simon, Chairman
Subcommittee on the Constitution
United States Senate
Committee on the Judiciary
Washington, D.C. 20510-6275

Re: Hearing on Fair Use in Copyright
July 11, 1990

Dear Senator Simon:

This is in answer to your letter of October 23 forwarding Senator Leahy's questions.

1. I do not think this criticism is well founded. The bill does not purport to treat published and unpublished works *equally*. In each case the significance of publication or lack of publication should be evaluated for its bearing on the unique facts of that case, along with all other factors.

2. In many cases a "fact" cannot be meaningfully or adequately reported without using the original language. For example, if a journalist reports that A made "an insulting and bigoted remark," the reader will not know whether the characterization is justified unless the remark, or at least a part, is quoted. It is not a question of pedestrian sentences; it is a matter of the ability to communicate facts adequately.

3. The *Salinger* and *New Era* opinions of the Court of Appeals can be read to mean that unpublished material is completely protected against any copying of its protected expression. It is my understanding that the new legislation would reject such a broad categorical rule, requiring careful analysis in each case based on the specific facts. In many cases where reasonably limited quotation was necessary to communicate a fact, for example, fair use could be found.

4. I do not suggest treating published and unpublished materials equally. I suggest only the abolition of any arbitrary presumption resulting from absence of publication. I do not think the suggestion limiting fair use to publicly disseminated works would adequately protect the public interest in the need for some quotation in journalism and historical writing, if facts are to be reported accurately.

The proper function of the copyright law is to protect the literary entitlements of authors, not to guard secrecy. Many of the several states have enacted rights of privacy which would remain intact and could justify a cause of action for invasion of privacy, notwithstanding that a particular use would involve no infringement of copyright.

Nonetheless, Judge Miner's suggestion that letters sent without a requirement of confidentiality be deemed publicly disseminated would very substantially improve the present law by dispelling the notion that there is a categorical rule barring fair use for such documents.

5. I do not believe this is a real concern. Computer programs were adequately protected before the categorical rules suggested in *Salinger* and *New Era*.

6. and 7. I would need to study the particular bill. The *Salinger* and *New Era* cases did not purport to rely *solely* on the unpublished nature, but they spoke of a test so strict that fair use could hardly ever be found for unpublished matter.

In addition, the listing in question 7 leaves out the important categories of journalism and commentary, for which it is particularly important that fair use be available, notwithstanding lack of prior publication.

8. and 9. Whether a copying of copyrighted material is or is not an infringement turns primarily on the statutory factors. These look primarily to the purpose of use (*e.g.*, Is the quotation used in order to communicate a fact accurately or to appropriate the original author's literary skill?), the nature of the work quoted (*e.g.*, Is it the type of matter that was written as an exercise in authorship -- for which the copyright laws were enacted?), the amount taken, and the effect on the market for the copyrighted work.

The statute is clear, however, that the four enumerated factors are not exclusive. Other factors may be considered. If a defendant stole material, this could well affect the availability of an injunction. Similarly, inequitable or illegal conduct by the plaintiff-copyright owner might affect his entitlement to equitable relief.

Sincerely yours,

Pierre N. Leval

Senator DeConcini. Judge Leval, thank you very much. If our panel would just remain, because there are some questions. I want to yield to members who have come here for any opening statements.

Senator Simon, you may proceed with any opening statement.

OPENING STATEMENT OF HON. PAUL SIMON, A U.S. SENATOR FROM THE STATE OF ILLINOIS

Senator Simon. I shall be very brief, Mr. Chairman. First, I thank you and my former House colleagues, Congressman Bob Kastenmeier and Congressman Howard Berman for your leadership in this area.

I speak with a little bit of prejudice. Two of the books I have written have been in the field of history, and I would hate to have been restricted unnecessarily.

In the cases in which I was writing, enough time passed so that the court decisions would not have impaired what I was doing. But that is not always the case. Judge Leval, you mentioned the kind of example that could occur with the Nikita Khrushchev example. I think we have to give the courts flexibility.

But I think the fundamental thing we have to keep in mind is that the free flow of ideas and information is vital to a free system. Whatever unnecessarily impedes that free flow of ideas and information does a great disservice to the system of government that we have.

Senator DeConcini. Thank you, Senator Simon. I yield to the Senator from Vermont, Mr. Leahy.

OPENING STATEMENT OF HON. PATRICK J. LEAHY, A U.S. SENATOR FROM THE STATE OF VERMONT

Senator Leahy. Mr. Chairman, I will put my statement in the record. I just want to congratulate you and Bob Kastenmeier and everybody else for having this hearing. Also, I wanted to say how pleased I am that the most distinguished jurist from the State of Vermont, Judge Oakes, is here. Judge Oakes really is the leading legal mind in the State. He is the person I take my direction from on such issues, as I have from the days when I was State's attorney and Judge Oakes was attorney general and had as, probably, his primary duty the effort to keep me from going too far astray.

He had dark hair at the time. It turned white in the effort, to say nothing about what happened to me. So I am delighted he is here, and I will put the full statement which is a far more serious thing—representing the hard work of my legal staff—in the record.

Senator DeConcini. Without objection, it will appear in the record.

[The prepared statement of Senator Leahy follows:]

STATEMENT OF SENATOR LEAHY
AT JULY 11, 1990 JOINT HEARING

The bill which Senator Simon and Representative Kastenmeier have introduced, and which I co-sponsored in the Senate, is a simple but important piece of legislation.

It will return the fair use doctrine to its rightful place as arbiter between an author's property and privacy rights on the one hand and the public interest in free, accurate dissemination of ideas on the other.

It will restore to the world of arts and letters the confidence needed to pursue the fresh, probing, critical research that is the hallmark of our best scholarship.

The bill will do this by making it crystal clear that the standard of fair use set forth in Section 107 applies whether a work is published or unpublished.

The bill is necessary because recent cases in the Second Circuit -- the _Salinger_ case and the _New Era_ case, both of which the Supreme Court declined to review -- come very close to saying that the unpublished nature of a work _alone_ will negate a claim of fair use.

These decisions have chilled the publishing world, causing publishing houses to shy away from manuscripts that quote from unpublished sources and prompting authors to delete significant material in order to avoid facing lawsuits. The problem is particularly acute, as may be readily imagined, where the work in question is critical towards its subject.

The loser, if no legislation is enacted, will inevitably be the American people, who will be deprived of works of potential critical and historical import, or will be forced to accept pale, expurgated versions.

I want to emphasize that I take privacy rights very seriously. Over the last few years, Representative Kastenmeier and I have worked to pass both the Electronic Communications Privacy Act and the Video Privacy Protection Act. I would not support legislation threatening to privacy rights. This bill is no threat. It does not endorse publication of purloined letters and diaries. It says only that the use of such material will be judged according to all of the fair use factors--including the fact that the material is unpublished--rather than by a quasi per se rule in which the work's unpublished nature alone virtually negates a fair use finding.

Let me add finally that I am also sensitive to the concerns voiced by some members of the computer industry that this legislation could jeopardize the protection of their computer source codes. This is not the intent of our legislation and I will work with the industry to ensure it is not the effect.

As Justice Brennan said in the Harper & Row v. Nation case, "A broad dissemination of principles, ideas, and factual information is crucial to robust public debate and [an] informed citizenry." In my view this legislation strikes the proper balance between our privacy rights and our fundamental first amendment liberties.

Senator **DeConcini**. Mr. Grassley, from Iowa?

Mr. **Grassley**. Mr. Chairman, I have no opening statement so I will wait until the question time.

Senator **DeConcini**. Very good. Congressman Hughes, glad to have you with us. Do you have any opening statement?

Representative **Hughes**. Thank you, Mr. Chairman. I just want to congratulate you and my distinguished colleague from Wisconsin for convening the joint hearing and look forward to the testimony today.

Senator **DeConcini**. Thank you. Gentlemen, I am going to yield to Chairman Kastenmeier for questions. I am going to have to leave and have Senator Simon take over from the Senate side for chairing the hearing.

Mr. Kastenmeier, would you care to proceed with the questions?

Representative **Kastenmeier**. Thank you. It is good to have the opportunity to thank Judge Oakes, who recently appeared before our subcommittee in the House and nobly instructed us on the subject of habeas corpus. I hope we have learned something from his wonderfully informed presentation.

Judge Leval, I appreciate your raising a point which I should have raised at the outset; namely, it was my own statement in introduction of the bill in which I, regrettably, employed the word "equally," and you made note of it. That was a mistake. I should have used the term—either striking "equally," or using the term "also," rather than "equally," because that has been misunderstood. The ambiguity that you suggested did not have to be there.

Judge Leval, since you have struggled with this issue for so long, how do you see the interface of the Berne Convention with respect to any change we might make through the bills that Senator Simon and I have introduced? Do you see any problem?

Judge **Leval**. The effect of the Berne Convention on our law is as yet not very well understood. It is quite unclear. I doubt that this bill is as incompatible with the Berne Convention as some of the critics of the bill have suggested. But I think the meaning of the Berne Convention has yet to be worked out, and I think there is a flexibility in the interface that would make this bill sit alongside the Berne Convention without incompatible results.

Representative **Kastenmeier**. Judge Oakes, you heard Judge Miner suggest some changes that might be contemplated; that is, clearing up whether or not a letter received by another person could be considered published or whether certain documentary material, accessible but not copyrighted for a period of years, and the information contained therein, could be considered as though it were published material for the purposes of application of the fair use doctrine. Would that be of any help to us?

Judge **Oakes**. Those are good, constructive suggestions, I think. Also, the one that after a person has been deceased for a period of time, that his materials should be available. But those are specifics, and they do not go—I think they would be welcome additions to your proposed legislation, but they are additions that do not go to correcting what I fear is the overall misimpression on the part of the publishing community that we can no longer use even legitimately acquired quotations to illustrate an historical or biographical point.

What concerns me is that what we are doing under the present law is that we are not permitting unauthorized biographies because I do not think that you can write an accurate biography without occasionally using quotations, and particularly from unpublished material.

That means that every biography is going to be sanitized. I make the point in my formal statement would Howard Hughes, for example, have ever agreed to consent to the use of one of his quotations? I could name others. This, to me, would be terribly unfortunate. That is where I fear the present law rests.

To sum up, I think Judge Miner's suggestions are, as they typically are, most constructive and helpful but not the be-all and end-all. I think your legislation is a major and first step.

Representative **Kastenmeier**. Judge Miner, would you concede that your recommendations do not really go to the heart of this controversy, certainly as seen by authors and publishers?

Judge **Miner**. Do you mean the recommendations that I made in my article and in my prepared statement?

Representative **Kastenmeier**. Yes.

Judge **Miner**. I think they would accommodate the concerns of the authors and the publishers because, in the statutory definition which I propose, publicly disseminated could be extended to cover a number of items, whatever items that the committee and the Congress thought would be proper, so that only published and publicly disseminated materials could be subject to fair use.

But in those definitions, we could take care of all the problems and the concerns that they have expressed. I think when you just elevate unpublished to equal dignity with published—and I don't think it is in your statement that the problem arises. The problem comes from the words, themselves, and when they are added to the statute, I think statutory interpretation would lead courts to say, "This means something," whether published or unpublished. They are supposed to be equal, otherwise why would be the be there?

When you concern yourself with the nature of the use, it seems to be inconsistent. So I think that, using my definition of published and public-disseminated, to accommodate the concerns of the authors would solve many of the problems that have been raised.

Representative **Kastenmeier**. Judge Leval, what do you do about stolen material? Would you use the same standards, the same application?

Judge **Leval**. Mr. Chairman, I think it is very important to avoid mixing up the apples and the oranges. When people steal, they can be prosecuted, they can go to jail, they can be sued for conversion and for civil remedies. I don't think that has anything to do with the subject, affecting literature, of what kind of use may be made by a biographer.

I do not, in any sense, condone the theft of anything and believe there should be severe legal remedies against someone who does it, but that doesn't have anything to do with kind of use a biographer may make of a letter written by Nikita Khrushchev. If someone drives a stolen car, the speed limit remains the same for the person who is driving the stolen car. It doesn't change to 30 from 55.

Fair use should be fair use irrespective of whether the car is stolen or whether the car was properly acquired.

Representative **Kastenmeier**. Thank you, Judge Leval. That concludes my questions.

Senator **Simon**. If I may, Judge Miner—and I would ask the other two of you to comment, also—I guess what I am seeking is flexibility for the judiciary. Judge Miner, if I may read from your statement, you say:

> I would define publicly-disseminated material to include any letters sent without a requirement of confidentiality and any documents, including letters, that have been in existence for a certain period of years without having been copyrighted.

Let me ask you, what period of years, since we have to specific. We can't, in the statute, say, let's just have a certain period of years.

Judge **Miner**. I didn't give any thought, Senator, to the exact number of years. I just thought that I would propose a term, publicly disseminated, which could be the subject of some discussion about its definition. In other words, the definition of what is publicly disseminated could be established by the Congress.

My thought was, when I proposed that, about the kinds of concerns that you expressed; historical researchers finding something that is from the last generation, or finding something that Abraham Lincoln wrote and fearing that his heirs would run out immediately and copyright it and prevent its use.

I think that we ought to define that, somehow. I just think that to say "unpublished" encompasses much too much. After all, the whole idea of protecting unpublished material is so that an author can refine it and change it. You, as an author, would be familiar with that, and not let it out until you think that it should be let out and presented to the public.

And if you say that unpublished material is subject to a wide fair usage, that impinges, I think, on the rights of some of those authors. Just for one side issue, here, the Berne Convention specifically says that it shall be permissible to make quotations from a work which already has been made available to the public provided that their making is compatible with fair practice.

So the Berne Convention is a real concern here when we talk about what has been made available to the public. I just want to expand the terminology and the definition of what it means by "made available to the public." I think if we redefine publicly disseminated, we can eliminate "unpublished" from the statute, and we can eliminate the problems that derive from the use of that word.

Senator **Simon**. But if I may pursue this a little further; when you say for a certain period of years, and I know you don't want to give a tag on it right now, but are you talking about 3 years, 5 years, 25 years——

Judge **Miner**. Oh, no. I would be talking about a much lengthier period.

Senator **Simon**. Twenty-five years?

Judge **Miner**. These are the kinds of questions I sometimes ask counsel before me. They have difficulty answering them. I don't know whether there is an answer to this thing. I think we are talking about 50 years, 100 years; 50 years may be a good rule of thumb because it is a number in the statute.

Senator SIMON. But if you use your 50-year example, then Judge Oakes' example on Howard Hughes means we are going to have to wait a long time until everyone who has any idea who Howard Hughes was may not be in existence on the face of the earth. I guess the question I would address to you and to the other two judges is, rather than defining, why aren't we better off just leaving it to the judges, to their discretion?

Judge MINER. If you do leave it to the discretion of the judges, I think we have the problem that we have now; that is, we will find very little fair use applying to unpublished material. I have never said, and no court has ever said, that there is no fair use of unpublished material. There certainly is. But it is very small.

The situation now is that people think that we have narrowed it too much and there should be more fair use of unpublished material. Traditionally, of course, unpublished material wasn't ever subject to much fair use.

Senator SIMON. Comments from either Judge Oakes or Judge Leval?

Judge OAKES. On Judge Miner's point, it seems to me that what he is saying is that even if this bill passes, so long as it doesn't provide that equal use can be made of unpublished works as published works, that at least some judges are still going to hold that minimal amount of fair use is permitted.

I agree with your comment, Senator, that flexibility among the judges is desirable. I don't think that Congress can legislate so specifically in this area as to cover any specific case because there is a wide spectrum of cases. I just think that the passage of this legislation would serve to clear the air. Even though Judge Miner's qualifications of his opinion, and Judge Newman's qualifications of his opinion, read closely by the copyright bar, might say, "There still is permissible usage."

I think that the message from the passage of the bill would go out to both the copyright bar and the authors and the publishers who can speak better for themselves to the effect that, "By golly; we still can make selective quotations that are not plagiarizing or pirating somebody's material, and are there to prove a point."

Right now, they are very fearful. I have even heard of one case in which they say, and this is a lawyer's advice, that if you use more than 7 percent of a given letter or something, we won't permit it to be done. That is only hearsay, so far as I am concerned, but the publishers and the publishing lawyers can tell you better, themselves.

Senator SIMON. Judge Leval.

Judge LEVAL. I have had the obligation to inspect quite a number of cases of fair use, as a judge, and to explore the particular factual matrix in each case. They are all different. They are all different in all kinds of subtleties. The statute which we have, which lays out four factors, I think is an excellent statute because what those four factors, essentially, say to the judges is, "Look at this problem from every different angle and explore every different facet of it in making your evaluation."

I have grown, in studying that statute, to respect its laying out of those four factors more and more as an effective and good piece of legislation. Any attempt, either by adjudication or by statutory specification, to lay down rigid rules and arbitrary cutoffs is going to do harm, either on one side or another.

What is required is flexibility to examine the problem closely and broadly. I believe that the bill which has been proposed does exactly that. It simply seeks to wipe away one arbitrary rule which has been burdening the courts and the world of writing, and open the question to a close analysis of the four factors in each case.

Senator **Simon**. Thank you.

Representative Berman.

Representative **Berman**. Thank you very much, Senator. I haven't read the decisions which, I guess, motivated the legislation and do not know much about this area. I haven't heard much discussion from those of you who support this legislative idea about the impact of this on issues like privacy and confidentiality.

I would be interested in your response to some of that. All the talk has been in the context of historical biographies. How does this all apply to, say, contemporary newspapers? Take a politician, writing a memo to a staff person and a political opponent coming in and stealing it and then sending it, anonymously, to a newspaper and then it being extensively quoted?

Are there any issues here that would argue against treating unpublished works exactly the same way that one would treat published works?

Judge **Miner**. I think you have put your finger on a very important problem. There is some privacy invasion under those circumstances. You have a stolen, unpublished piece that somebody wants to get his or hands on. One of the submissions here today talks about a memo in a corporation. In the workings of a corporate structure, a memo is sent with some damaging information on it and somebody gets a hold of that and wants to print it.

Again, we have a stolen piece. We might have a situation there where you say, "Well, it is unpublished and there is a right of fair use. There is a right to copy it." I think that we have the intersection, here, of some serious problems. You have got the problems of privacy and fair use, and of larceny and of all kinds of things—first amendment.

But I think that this proposed bill may create a problem in the situation you have described.

Judge **Oakes**. With due respect, I completely disagree and agree with Judge Leval's prior statement that it is mixing apples and oranges. If a person were to steal and document and then send it to a newspaper, there is nothing in the copyright law that could prevent that from occurring if the newspaper printed it.

The only question that would arise in the copyright law, Representative Berman, would be whether that would be fair use. It is inconceivable, to me, that in a suit for infringement, which would probably not be for copyright infringement—it would be too late to undo the damage that publication or theft and publication had created—it is inconceivable to me that any court would hold that that was fair use.

But that is the copyright law and it is to be entirely distinguished from—obviously, the theft should be punishable, and is punishable, under State law for breaking and entering, or whatever.

Representative **Berman**. If you catch the thief.

Judge **Oakes**. If you catch the thief. But the copyright law only comes into it when there is a suit for infringement.

Judge **Leval**. But you think in that situation, even with the passage of this legislation, the fair use doctrine would still allow the successful pursuit of an infringement action against the newspaper?

Judge **Oakes**. Against the newspaper?

Representative **Berman**. For the publication of the unpublished——

Judge **Oakes**. I have to ponder that for a moment.

Judge **Leval**. I would, respectfully, say, in answer to your question, sir, that different bodies of law point in different directions. There is no question that a law which is designed to further public knowledge, to further free press and an informed public, points in a direction opposite from a law which is designed to preserve the right of privacy.

There is likely to be conflict and some difficulty in interpreting where they meet and how they accommodate one another. The copyright law is a law that arises within the jurisdiction of the U.S. Congress under a grant of power which, in the Constitution, says:

> Congress shall have the power to promote the progress of science and the useful arts by securing, for limited times, to authors and inventors, the exclusive right to their respective writings and discovery.

It is a law which is designed to further knowledge and information and to stimulate creative thinking and writing.

The privacy law is a law that arises within the jurisdiction of the States. It is part of the tort law of the States, and it seeks to protect a legitimate entitlement to privacy. If somebody publishes someone's private papers, or purports to or tries to publish someone's private papers, there may well be a cause of action, under State law, for invasion of privacy.

That is a different question from whether there is a cause of action for copyright infringement. The proper concern of the Congress of the United States is to devise a copyright law which will further the purposes entrusted to Congress under the constitutional grant of power. A particular use may not create a copyright infringement, but may be actionable as a infringement of privacy under State law.

I would, respectfully, suggest that the proper concern of Congress is to design a useful, properly functioning, copyright law and leave the privacy aspects to the State legislatures and State judiciaries.

Representative **Berman**. Could you just elaborate a little on how treating unpublished works like published work, for purposes of applying the fair use doctrine, serves that portion of the Constitution that you just quoted?

Judge **Leval**. Oh, yes. I would, willingly, do so. I return to my hypothetical example about the letters, or private writings, memoirs, of Nikita Khrushchev revealing some previously unknown aspect of his personality and his motivations, his passions, his obsessions, which would be enormously instructive.

Now, his family, his heirs, may not want those things published. They might reflect poorly on them. They might think it reflects poorly whether it does or it doesn't. They might think it invades privacy. Let us assume that it does invade privacy. They might have a cause of action, under the State privacy laws, to prevent its publication.

But in terms of the Congress' concern for a copyright law that promotes the stimulation of knowledge and the sciences and the arts, there is no reason why there should be a copyright infringement if those letters are published in a manner that respects the proper boundaries of fair use upon an application of the four fair use factors.

Judge **Oakes**. Congressman, if I could complete my answer to your question, having pondered a bit, I think the extra element of theft in your question makes it a difficult one. In the *Pentagon Papers* case, in which I happened to sit as the first case as a judge on my court, there was, of course, in a real sense, a theft of the papers.

The question was whether the newspaper's publication could be enjoined. Under first amendment principles, the Supreme Court held that it could not. There was no copyright question involved. I question whether the generals composing the Pentagon Papers, or the admirals, could have sued the New York Times and the Washington Post for infringement.

Take your theft case, which, I think, is an entirely different case. Let's suppose that, instead of the politician's confidential memo having been stolen and sent to the newspaper, it had been, simply, dropped on the floor by accident and someone had picked it up and sent it to the paper and the politician, after it had been published or he hears that it is going to be published, sues under the copyright law to prevent the publication of it in advance.

My view of it would be that the fair use doctrine factors should apply to that memo just as they would apply to a published statement by the politician, and that, on a quick weighing, although, obviously, we wouldn't decide such as case—you would have to know a lot of other things—on the spur of the moment, would be that that should be a fair use, if it is just, say, a one-line memo. It would depend on how important it might be.

Suppose the memo admitted that the politician had stolen money from the public treasury. He should not be able, on copyright grounds, to sue.

Now, your case, I am struggling with, still.

Representative **Berman**. Thank you very much.

Senator **Simon**. I think my colleague from the House is presiding here, but I will take the liberty of calling on Representative Hughes.

Representative **Hughes**. Thank you very much, Mr. Chairman. Just picking up a little bit on my colleague from California's point relative to how the material reaches the publisher. Does the copyright law adequately define publication?

Judge **Oakes**. We always like guidance. If the Congress can define it better for us, we are still operating on a case-by-case basis. I think that the statutory definition is adequate but, like all such things, could be improved upon. I am not prepared to say just how I would improve it at this point.

I don't know how my colleagues feel.

Representative HUGHES. Judge Miner?

Judge MINER. The statute does contain a very general definition of publication, something about being made available to the public and so forth. But I don't think that, really, resolves any problem with respect to the question of the nature of what is unpublished—we certainly know what is unpublished and, of course, we have a serious disagreement.

There are people who seem to think that in the *Nation* case, where the manuscript was purloined—it was described as purloined by the Supreme Court—that there should be fair use of that manuscript which had been stolen. I don't think that the statute means to do that.

But, in response to your specific question about publication, I don't think you can get very much more definite with respect to the definition of publication.

Representative HUGHES. It gets to the point of whether a fair use determination depends upon the circumstances under which the reporter or biographer obtained the material, and is that relevant?

Judge MINER. As the statute now stands, even with this amendment, it doesn't seem to be relevant. Even in the *Harper and Row* case, the *Supreme Court* case, the author of the opinion did not indicate that the fact that it was purloined made any difference. They just applied the four fair use factors. They found that, because of its unpublished nature, and because of the fact that there was interference with the market, the fourth factor, that there was an infringement there.

I don't think that that was even considered. No court has made a point of saying, "Well, this is purloined and, therefore, you can't have fair use of it." So the answer to your question is that the courts don't seem to be concerned. The statute doesn't seem to be concerned about how you got it.

Representative HUGHES. Judge Leval.

Judge LEVAL. I would like to underline, in response to your question, that, in my view, whether material has been previously publicly available or not does not necessarily always cut in the same direction, in terms of how one would apply the four fair use factors.

That is why I am troubled by the Supreme Court's statement in the *Nation* case that the unpublished nature of a work is always a key factor opposed to fair use. I have no argument with the Supreme Court as it applied the factor in that case because, in that case, the body of work that the Supreme Court was looking at was a book written by a former President of the United States which was on its way to the presses. In fact, it was about to be printed and published in Time Magazine 2 weeks hence.

The use, which, it was argued, was fair use, was essentially a scooping. Under those circumstances where, what the would-be fair user has done is just to scoop something that is on its way to public information and which is unpublished but about to be published, I think that there is very little to be said in favor of fair use.

On the other hand, if you talk about a different kind of unpublished matter, some deep, dark secrets of an important public figure which have been locked away in some private letters and they are unknown and they would be extremely important to the public if known, but they will not be known unless fair use can be made of them, then, I think, the fact that it is unpublished points in just the opposite direction; it, actually, favors fair use.

If favors information. It favors knowledge. There is no clear answer to what is published and what is unpublished. I think it would be harmful to try and make one because each next case brings complexities that we did not anticipate in passing legislation or in making judicial generalizations in the past.

It is very difficult to give clear answers to those questions and I think they should be left to be worked out on a case-by-case basis.

Judge MINER. I just don't think scoop should be equivalent to stole. Scoop is when you get the story before somebody else. Stole is when you steal something.

Representative HUGHES. The Supreme Court in the *Harper and Row* case found that the scope of the fair use doctrine is narrower with respect to unpublished works. What is the Court referring to when it uses the term scope, talking about the amount of unpublished works that were used, or to a diminished likelihood that unpublished works may be subject to a fair use doctrine?

What was intended?

Judge MINER. Since I have already signed on to an opinion that says that a diminished likelihood applies, I think I would hold to that rather than the amount. I think that is what the Supreme Court meant. That is what the upshot of the *Nation* case was.

It is just not as likely, we say, and they say, that you are going to find fair use in published material.

Representative HUGHES. Judge Oakes.

Judge OAKES. That is the decision. That is the *Salinger* decision written by Judge Newman and concurred in by Judge Miner that interpreted the Supreme Court's words on the side of likelihood. The opinion, itself, says that, arguably, you can argue it both ways.

But we inferior court judges have to await the final word from the powers that be down the street before we can really tell you what they meant in their own opinions.

Judge LEVAL. I do now know what it meant. I have read opinions that sought to interpret it. As it is effectively interpreted now, in the law of the second circuit, the second circuit has said that ordinarily, unpublished work is completely protected against any use of its protected expression. That is what the proposed bill deals with.

Representative HUGHES. Thank you, Mr. Chairman.

Senator SIMON. We thank all three of you for your testimony. Judge Leval, you are an unusually well-dressed witness before this committee.

Judge OAKES. I thank Senator Leahy for his kind remarks. I didn't have a chance to thank him while he was here.

Senator SIMON. Thank you all. If there is no objection, if we can follow the 5-minute rule on questions from hereon, because we have quite a list of witnesses.

The next panel is two distinguished authors, Taylor Branch and J. Anthony Lukas.

PANEL CONSISTING OF TAYLOR BRANCH, AUTHOR, AND J. ANTHONY LUKAS, AUTHOR

Senator SIMON. Mr. Branch, my copy of "Parting the Waters" has disappeared from my nightstand. We are very pleased to have you here with us.

STATEMENT OF TAYLOR BRANCH

Mr. BRANCH. Thank you. Senator Simon and Chairman Kastenmeier and members of the subcommittees, I am very pleased to be here, although the only thing that could get me away from my hermit's work is that I already feel the chilling effect of these decisions enough to have written what I regard as a passionate statement, which I won't read here. I will try to summarize it. I submit it as an unpublished work, but I give up any special protection and hope everybody will feel free to consult it.

I want to just emphasize three points. No. 1, the effect of this ruling goes far beyond rare cases, sensational cases, famous cases involving famous people or great works of history. It is not just a matter of one unpublished work in collision with another, or with a deliberately not-published work, or with the privacy rights of a legendary author like J.D. Salinger.

Since these rulings came out, I have consulted my editors and lawyers at Simon and Schuster, and practically everything is considered an unpublished work under their interpretations of these rulings.

The lifeblood of the work I do comes from unpublished works, not just letters, although I do quote letters of famous people. But it also includes even the minutes taken at a SNCC meeting, at which students debated whether to march in Selma.

If a graduate student holds up a tape recording at the funeral of Medgar Evars and then gives it to a friend who deposits it at the State Historical Society in Wisconsin, that is an unpublished work. Wiretap logs are unpublished works. Oral histories are unpublished works.

I believe that unpublished resources are vital, especially to cross-racial history because cross-racial history is, often, invisible and it doesn't lie in your standard historical records. But more broadly, unpublished work is the real guts of the development of history.

In the statement, I cited one passage from the book during the Freedom Rides of 1961 featuring John Doar, a great public servant, but, if you know him, an extremely taciturn and laconic man. I quoted him looking out the window when the Freedom Riders were being beaten, saying,

> Oh; there are fists punching. A bunch of men led by a guy with a bleeding face are beating them. There are no cops. It's terrible. It's terrible.

It was very dramatic, particularly if you have developed the character of John Doar in the course of the work. That quotation I found in Ed Guthman's newspaper office in Philadelphia. He had it in his papers. There were notes taken by a secretary who was listening in on the phone as John Doar shouted over the phone while looking out the window of the Federal building in Montgomery, relaying word of it to Burke Marshall.

The notes are an unpublished work. Who owns the rights to them? I don't know whether it is Doar, the secretary, Ed Guthman or nobody, if, conceivably, they are a Government document.

But unpublished work goes so deeply into the mortar of historical works like mine that if my book were to be published today, I think that practically on every page, there is a person who could be traced as the author or the holder of an unpublished work who could have, conceivably, enjoined the publication of the entire book.

Another point I would like to emphasize is that it is not just at the point of publication that these issues are raised. The chilling effect of these rulings goes into the research phase which is much more important. For every quotation from a letter or an oral history or a wiretap transcript, there are 10 or 20 or maybe 100 that are not used that make up the universe of the research that you are doing. It takes years to pick out those quotations, those documents, those sentences that bring this matter to life.

This raises the question: at what point during the research phase do you begin to seek permissions under this ruling? Before you take any notes? Before you copy any documents? Before you make the effort to go to the University of Mississippi and go through all the stored radio programs that are, conceivably, protected under this, also?

If you started copyright searches at the very beginning, you would never finish the research. If, on the other hand, you waited until you had a finished book, which may be years, you may have incorporated something that you can't use.

The practical implications of these rulings, as I already feel them in consultation with my publishers, are so chilling that I don't know how the kind of work I do could continue to be done.

I want to, in connection with that point, emphasize that the chilling effect is not just the feared widow-censor who wants to prevent the heart of a book coming out. If, as I have reason to believe already, the lawyers from the publishers were merely to say, "There is a presumptive trump card against the use of nonpublished materials. You must, at least, make an effort to contact the holders, identify all of them, and submit them to me that you have made a good-faith effort ."

My book took 6 years. The copyright vetting would take another, I don't know how many years. My biggest fear is not that somebody would hold me up and say—if I could find them all, working alone with no staff—"You can't do it," or, "Pay me $100,000," but, simply, that hundreds of them would say, "That is fine, but please send me a copy to look over before you publish."

The practicalities of this do go to the heart of history. Publishers' lawyers are quite naturally terrified by the thought of 100,000 copies of a book sitting in a warehouse having to be destroyed. They are going to take all precautions under the implications of these rulings, fearing that somebody who gave an oral history might have changed their mind or might claim 25 years later that they are thinking of writing their own book.

The logical implication to me is that these rulings could wipe out everything between immediate journalism, in which the writer relies only on his eyes and the people that he speaks with, and, basically, term-paper scholarship, which is rearranging and analyzing already-published material.

If that were true, it would eliminate the developing ground of historical work, in my view. And it would not protect would-be authors, but, really, silence the ordinary and extraordinary people who are our most critical witnesses to history.

My third point is to thank you for——

Senator SIMON. You can summarize briefly here.

Mr. BRANCH [continuing]. To thank you for coming so quickly to recognize the implications of this issue. I want to pay tribute to all the members of the subcommittees and the staff people who are here. I am very happy to see this evidence that you feel as deeply about it as those of us in this business.

Thank you.

Senator SIMON. Thank you very much. The full statements of all the witnesses will be entered in the record.

[The prepared statement of Mr. Branch follows:]

STATEMENT OF TAYLOR BRANCH ON H.R. 4263 and S. 2370

BEFORE THE

SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY
AND THE ADMINISTRATION OF JUSTICE

COMMITTEE ON THE JUDICIARY

UNITED STATES HOUSE OF REPRESENTATIVES

AND THE

SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

JULY 11, 1990

EXECUTIVE SUMMARY

- The rules governing what can be quoted or paraphrased without permission directly affect how histories and biographies are written and what they can include. If unpublished material cannot safely be quoted in any amount, critical histories and biographies will be severely harmed.

- The quotation, in modest and appropriate amounts, of source materials is crucial to providing the intimacy, immediacy, ambience, and re-creation of motives and values that history requires and readers need. Such use has long been considered fair, and there should be no different result *per se* for source materials that happen to be unpublished, such as letters lying in government files or in public or private archives.

- No sufficiently important countervailing benefit warrants giving the owners of those materials the right to prohibit or exact payment for quotation that would otherwise be fair use. Literary creation or publication would not be fostered by giving heirs such absolute rights.

- Requiring historians to bargain with widow(er) censors for the right to quote what would (for published material) be fair use not only rewards many with payments that they do not deserve (because the value of the materials may be due to the recipient's fame, not the writer's skill), but will unnecessarily require historians and biographers to shade their works and bargain with the truth.

- Congress should therefore restore the law to what writers, publishers, historians and biographers understood it to be before the *Salinger* and *New Era* cases, permitting courts to consider all the relevant fair use factors, and not just the unpublished nature of a work.

Mr. Chairman, Senator Simon, and Members of the Subcommittees:

My name is Taylor Branch. As a journalist and author deeply engaged in the writing of a critical work of biography and history, I want to thank Senator Simon and Chairman Kastenmeier for holding these hearings, which are of such great importance not only to myself and other writers but also for the future of American scholarship. Critical histories and biographies are indispensable to a free and self-governing people.

The recent Salinger and New Era decisions of the Second Circuit have changed what historians, biographers, and publishers all understood the law to be; they direct courts to consider the unpublished nature of material as the dispositive factor in any fair use analysis. At present, there is not only not a modicum of unpublished expression that can be quoted or paraphrased as fair use, but no amount whatsoever. I am here to urge you to pass the bills introduced by Senator Simon and Chairman Kastenmeier, thus restoring the law to what I understand it used to be.

I have been fortunate to have spent the last eight years researching and writing a history of Martin Luther King and the civil rights movement. The first volume, Parting the Waters: America in the King Years, 1954-1963, was published by Simon & Schuster in 1988, and received the Pulitzer Prize and the National Book Critics Circle Award. I am presently working on a companion volume, Pillar of Fire, which will cover the years from 1964 to King's death in 1968.

I appreciate and value the protections afforded by copyright. My family and I directly benefit from them. But along with other authors, I also have an interest in being able to write freely, to communicate vividly the ideas and truths and facts that I see so that they will be understood and appreciated.

The rules governing what can be quoted or paraphrased as fair use directly and dramatically affect what I write and what you can read. I had previously worked on the understanding that many factors controlled the extent to which I could quote or paraphrase historical sources. But now, my editors tell me, there is no amount of unpublished material that I can safely quote or even paraphrase without obtaining permission from those who participated in the events I write about or their heirs. That rule will inevitably and unnecessarily impede readers' understanding and appreciation of the past.

The very purpose of Parting the Waters, as the Preface explained, was to

> write a history of the civil rights movement out of the conviction from which it was made, namely that truth requires a maximum effort to see through the eyes of strangers . . . I have tried to make biography and history reinforce each other by knitting together a number of personal stories . . . . By seeking at least a degree of intimacy with all of them . . . I hope to let the characters define each other.

History is written by weaving together the varied historical sources which a writer can find; quoting or paraphrasing at modest length from the rich ore of available historical sources (regardless of whether they are published, or disseminated, or unpublished) has always been an essential tool for providing intimacy, immediacy, and ambience -- i.e., the truth. Such quotations are indispensable to enabling readers fully to imagine and to understand long-ago events.

Dry facts can generally be mined from sources without quoting or paraphrasing, but the harder challenge of vividly recreating a period, of animating historical figures, high and low, so that their passions and struggles and motives come alive, can hardly be met without some direct reliance on the revealing words and phrases and metaphors used by history's participants. Unfortunately, the telling phrases that have no substitutes are not always neatly segregated into published secondary works or collections of sources. More often, they are found in local historical society archives, in the records of community or public interest groups like local NAACP chapters, or in documents lying in libraries or archives or government files.

My work convinces me ever more strongly that unpublished material provides far more than a garnish or decoration for historical studies. Such "hidden" materials are essential to the heart of the story itself, especially in what I have come to call cross-cultural narrative -- the perceived and unperceived interaction of isolated racial, social, or professional cultures. It shocked me to discover that Dr. King -- far from being the comfortable choice of most of his fellow black Baptist preachers -- was almost literally excommunicated from the national convention in which his father and grandfather had established the power of the King family. This expulsion was a major blow to King personally, and a major turning point in his career, and yet not a word of the event appeared in the standard published sources, then or later. The world of black preachers was invisible to the dominant culture, and therefore even the fame of Dr. King could not put this crisis on the historical record. To convey the feel of the church controversy, I quoted a letter from Wyatt Walker: "The smoke has cleared, and evil is once more strongly entrenched upon the throne." Under the New Era ruling, it would have been dangerous to use the quotation and perhaps impossible to reconstruct the episode itself.

The entire first chapter of Parting the Waters, about the background of King's church world as seen through the life of Dr. Vernon Johns, was based on unpublished materials. This was because Johns remained -- unjustly, I believe -- an invisible person in published references. Nearly the whole texture of black history was lost for that period, and required unpublished materials as a starting point. To convey the sense of the relationship between Dr. King and Malcolm X, I quoted only the first three words from the brush-off letter Dr. King instructed his secretary to write: "Dr. Mr. X." To convey one point about the breadth of religious discussion in King's student years, I quoted the pompous letter of a preacher concerning the eminent theologian Paul Tillich (about whom King wrote his Ph.D. dissertation): "Tillich is all wet ... There is no 'being itself'."

In my work experience, such blind spots in the published record extended far beyond Dr. King's life. To re-create the origins of the Mississippi voting rights project, which led five years later to the 1965 Voting Rights Act, I quoted the 1960 reply of a young volunteer to Bob Moses, then a new student leader: "I cannot believe your letters ... I got so excited that things almost happened to my kidneys. This voter registration project is IT!" Under the new rulings such a letter might well have been out of bounds. Similarly, I may have lost the telling eyewitness reaction of John Doar to one of the Freedom Ride beatings in 1961: "Oh, there are fists, punching! A bunch of men led by a guy with a bleeding face are beating them. There are no cops. It's terrible! It's terrible!" Those of you who know the taciturn, composed John Doar personally can appreciate how revealing this quotation is. It came from the private papers of Ed Guthman, who came into possession of notes taken by a secretary overhearing a phone conversation between Doar in Alabama and Burke Marshall in Washington. Clearing permissions for this small bit of unpublished history might have been a painstaking chore.

Precisely because so much of the most compelling history lies outside the published records, Parting the Waters is studded with quotations and paraphrasings from the materials it relies on, especially, I almost hesitate to add, unpublished materials. These quotations and paraphrasings, some drawn from letters, diaries, oral histories, wiretap transcripts, tape recordings, and other unpublished materials, are short, almost always less than two lines, and always credited, but were essential to providing what reviewers described as "rich detail" and "vivid presentation" and "compelling portraits." Their quotation is not a sign of piracy, and should not be an occasion for a lawsuit, much less for damages or an injunction.

A rule prohibiting consideration of all four fair use factors has the practical effect of prohibiting historians and biographers from weaving such quotations into their works, and imposes an enormous cost for no apparent, and certainly no sufficient benefit. The only options the courts appear to have left are shown by the unpleasant choices I now face -- negotiation with those who control rights in unpublished historical materials, or self-censorship to avert the risk of lawsuits and damages.

Every reader knows that an authorized biography is an incomplete biography, and presumptively shaded. Yet it is only the critical biography, not the authorized biography, that the Salinger - New Era rulings affect. And those harmful effects will be longlasting; because a copyright is for life plus fifty years, the long hand of the family censor will, for many participants of the civil rights struggles of the 1950's and 1960's, remain powerful well past the next mid-century. I am told by my editors that heirs are already using Salinger and New Era to interfere with biographies being written about their antecedents.

In addition to the costs of bargained-for content control are the more prosaic burdens of having to locate and gain permission from the holders of rights of works that have long reposed in libraries and archives. Not all the holders are famous or easy to find. Indeed, most of mine have been obscure people. Many are dead, with scattered heirs. And please allow me to stress the logistical nightmares these rulings pose for the research phase of work such as mine. As thick as my book is -- and I acknowledge receiving complaints from readers with bruised collar bones -- the text and all 77 pages of footnotes represent only a small fraction of the research material collected. At what point should a historical writer seek permission for quotation from an unpublished source? Before taking the first notes? Before making the first photocopies from material that may not be used? If so, work such as mine could not be done in a lifetime and would be abandoned in advance. Or should a writer wait until a quotation appears in the final draft of a book manuscript, when time pressures and potential difficulties in permissions might threaten the substance or the pulbishing schedule of a book?

If letters lodged in archives and research libraries written to Martin Luther King or the SCLC, or comments by FBI informants lodged in government files obtainable under the Freedom of Information Act, cannot be briefly quoted or paraphrased without the permission of the writer or his or her heirs, then the difficulty or even the impossibility of finding the writers of those letters will preclude use of the material. And for what purpose, when many of the letters to King or other documents I relied on were authored by common people whose wrote without any thought of economic gain through publication, and the economic value of those letters or documents is simply borrowed from King's own fame?

For all these reasons, I urge you to return the law to what it was prior to the decisions in the Salinger and New Era cases, and require courts to consider all relevant factors, not just the unpublished nature of a work. To be sure, pre-New Era fair use law did not provide absolute clarity or objective guidelines to clearly mark for writers (and publishers) how much unpublished material can be published as fair use. But the rules were reasonable and generally understood, and by permitting consideration of all the important factors resulted in a workable balance between the interests of copyright holders and non-fiction authors. They allowed biographers and historians to quote from or paraphrase unpublished source materials, within reasonable limits, while precluding *unfair* borrowing, borrowing to such an extent as likely to cause economic harm. By contrast, the *Salinger* - *New Era* rule certainly has the merit of clarity, but at the unacceptable cost of devastating the writing of contemporary history and biography.

Taylor Branch
1806 South Road
Baltimore, Maryland 21209
410
~~301~~-664-4828

November 20, 1990

The Honorable Paul Simon
United States Senate
Committee on the Judiciary
Washington, DC 20510-6275

Dear Senator Simon:

Please forgive me for taking so long to reply to your letter of October 23, 1990. My only excuse is that I have been out of town a good deal on research trips.

My answers to the four questions submitted by Senator Leahy are attached. I hope the answers, though brief, are helpful. Please assure Senator Leahy and any other members of your committee or staff that I would be happy to discuss any additional questions that might arise. They may reach me here in Baltimore.

I enjoyed meeting you at the hearing over the summer, and hope that our paths will cross again.

Yours truly,

Taylor Branch

Taylor Branch

Taylor Branch

Replies To Questions
Submitted By Senator Leahy

1. I believe that if nonfiction historical writers were restricted to characterizations rather than quotations or paraphrases from nonpublished works, it would cripple the practice of such writing. Quotations allow personality to be developed in narrative. Without them, works tend to be vague, bland, lawyerly, and, in short, devoid of precisely the life and spirit that non-fiction history ought to recapture. Part of the writer's task is to sift through thousands of potential quotations in the hope of finding the right combination to bring an historical person or event to life in the reader's mind. At its best, this process of research, selection, and presentation is an art, and the quotations provide essential materials. To exclude arbitrarily the whole range of unpublished

resources--from letters, diaries, oral histories, minutes of meetings, tape recordings, and numerous other archival forms--would, in my judgment, fatally injure my profession.

2. I don't believe the suggestion of the copyright office is significantly different from the proposal in Question One above. Again, this proposal would deprive the historical writer of elements and choices essential to the labor of writing historical narrative. In that sense, neither the copyright proposal nor the judgment of the Salinger case takes into account the traditional, sound practices of historical research and writing.

As I tried to emphasize in my testimony on July 11, I believe that the rights of the authors of unpublished materials have been and can be protected under the concept of "fair use." The working rule that has guided writers in my field has been that our work should not derive its value significantly from any single body of quotations, nor should our work deprive the author of any source material of the marketability of that work. There's a balance here, but to the degree that any of us borrows too much, or trespasses, or deprives another writer of the value of creative effort, then that use is and ought to be unfair.

3. (a) The suggestion that the unpublished nature of copyrighted materials would be taken into account but should not be the sole determining factor in deciding whether the use of unpublished materials is fair appears to be satisfactory. I should stress here that normal practice--the collection of voluminous bits of quotation from diverse sources unlikely to be published otherwise--falls so far from the slightest worry over such infringement that the bare protections here seem more than sufficient. In other words, my own works quote from hundreds, if not thousands, of unpublished materials, and it has always seemed farfetched to me in the extreme that any one of the named or unnamed authors quoted in historical references could feel that the marketability of his or her work has been damaged in the slightest, let alone to actionable degree. Like most authors, I feel quite comfortable with the intuitive notions of what is and is not involved in "fair use." The reason for our alarm was precisely that the court decisions seemed to reach so far in arbitrarily barring all use of unpublished material--that is, by ruling that there is no such thing as fair use. This prohibition cut the ground from under the fundamental practice of non-fiction research. Against this radical departure from traditional, common-sense balance, almost any acknowledgement of standard "fair-use" seems adequate.

(b) I do not foresee any problems with the approach, because as stated above, I think most writers of historical works fall well within the most conservative boundaries of fair use. I am not a legal technician, however, and I make no claim to foresee or weigh the constructions that courts might place on any particular language adopted.

4. (a) This suggestion provides broader protection in that it extends basic "fair use" protection beyond works of criticism, history and biography. Because it goes beyond my own particular uses, I'm not competent to judge what other interests may be impacted, whether in publishing or technical areas such as computer software. Because this protection is broader than that in Question Three, it may be preferable to those engaged in other kinds of work, but for me and my colleagues in historical writing, the protections in Question Three are sufficient.

(b) The answer to this question is largely beyond my purview, as the problems that may arise beyond those of question Three (b) above would seem to fall outside the interests of non-fiction writers.

Senator SIMON. Mr. Lukas.

STATEMENT OF J. ANTHONY LUKAS

Mr. LUKAS. Chairman Simon, Chairman Kastenmeier, Members of Congress, let me tell you a story. In 1978, I was researching my last book, "Common Ground", about the intersecting lives of three Boston families, one black, one Irish, one Yankee. I had a hunch that what drove those families into conflict with one another was not just the ruling of a Federal district judge but two centuries of American history in which these three groups had been pitted against each other in intricate and subtle ways.

So I determined to track each of my families back as far as I could, to County Louth for the Irish McGoffs, to Maine for the Yankee Divers, and to Burke County, GA, for the black Twymons.

That spring, I drove into Burke County. For several weeks, I labored in the county land records, trying to find the plantation on which Rachel Twymon's ancestors had served as slaves. It was then that somebody directed me to a farmer named Ashley Padgett who had an interesting sideline, rescuing architectural artifacts from crumbling old plantation houses and selling them to Atlanta yuppies.

For days, Ashley and I tramped the woods and swamps looking for that house. Finally, one afternoon, we rounded a bend in the river and there, spread out before us, was just what we had been looking for; the ruins of a house upon a hill, nestled in a stand of pines; the remains of the slave quarters just behind; the slope down to the river, just as we had heard it described.

For one glorious moment, Ashley and I stood transfixed in that clearing in the woods. Then we did a little jig for sheer joy.

That discovery gave Ashley a notion, and when we got back to his house, he called a friend named Phil Greshem who, he now realized, must be a descendent of the slave-owning family. By the time we arrived at Phil's house, he had retrieved from the attic a box of family memorabilia which he set out on the coffee table.

With Phil's encouragement, I dove in. In one ledger book, I found confirmation that Fannie Walker, Rachel Twymon's great grandmother, had, indeed, been the Greshem's slave. And in a stack of yellowing letters, I found a line from one of the senior Greshems on the occasion of his nephew's marriage, 2 years after the freeing of the slaves. "I am sorry that circumstances are such that I cannot give him a Negro," Mr. Greshem wrote, "but I must do the next best thing left, that is give him a mule."

That line, I thought, captured vividly the atmosphere in which the Walker clan grew up in Reconstruction Georgia. But if the Second Circuit Court of Appeals' decision in *New Era Publications International* v. *Henry Holt and Company, Incorporated*, had then been the reigning precedent, I might never have been able to use it in my book.

Indeed, I ask you to consider how many journalists or historians would tramp the woods and swamps, search the land records and seek out boxes of family memorabilia if the fruits of their research could be so abruptly denied them. Understand me, please; I am not pleading, here, merely on behalf of the 6,500 American authors who belong to the Authors Guild, of which I am secretary, nor, merely, on behalf of our sister organization, P.E.N., or our cousins in the American Historical Association and the Organization of American Historians, all four of which organizations have endorsed this statement.

I would suggest to you that the biggest losers are your constituents, the people of America who, if this decision remains the guiding precedent, will increasingly find fewer works of compelling history and biography available in their bookstores and, ultimately, in their libraries.

This is not small matter because history, biography and other serious notes of nonfiction, are the record of our national experience. To be sure, we are dealing, here with countervailing claims. Indeed, the Authors Guild has an historic concern with the protection of authors' property rights in the area of copyright.

But, bearing against that interest, is the powerful interest of promoting the public's store of knowledge, recognized by the framers of the Constitution when they proclaimed that copyright was necessary to promote the progress of science and the useful arts.

The second circuit, we believe, has put a heavy thumb on the scales of this historic balance, tilting them toward property rights and away from the need for intellectual progress. We would ask you to restore that balance.

Why is New Era so devastating to serious historical research; because it displays a fundamental misunderstanding of the role of unpublished materials and responsible scholarship. The very unpublished materials whose use the second circuit would discourage are the essential raw materials of the historian's and biographer's work.

The first commandment of scholar and journalist alike is, "Go to the original sources. Get the letters, memoranda, diaries and first drafts," in short, the materials which will reveal character, motivation, style, and context.

The second commandment is, "Show; don't tell." All of us are told all our lives, by our parents, our teachers, our bosses, our media moguls, dare I say, by our political leaders. Somehow, through all this telling, we build up a resistance to things that other people assert to be true. That is why showing is so much more powerful.

If I tell the current high school freshman that Adolph Hitler was a mad beast, a raging megalomanic, the student may or may not accept what I tell him. But if I ask him to read "Mein Kampf" and the findings of the Nuremberg Tribunal, if, in short, I show him who Adolph Hitler was, I am much more likely to be believed.

This is the answer to those who say New Era doesn't really affect your ability to do your work because you are free to use the facts in unpublished materials, only the actual words are foreclosed to you. That argument is not terribly persuasive to those of us who use words for a living, for we know the terrible and wonderful power of words.

Frequently, the facts in a sentence are less important than the way they are expressed. Take, for example, L. Ron Hubbard's sentence, "The trouble with China is there are too many Chinks here." If this quotation was foreclosed, one could, I suppose, paraphrase with something like, "The indigenous population of China is too large."

But, does anybody really believe that that captures the spirit of Hubbard's remark? Or, as Judge Oakes pointed out in New Era, one could write, "Hubbard used a vulgar, derogatory epithet exhibiting snobbish, bigoted disdain for the Chinese." But that, as the judge wisely recognized, would be at once unfair to the biographer, the subject and the readership which can, reasonably, demand to know, "What did he say? Let us be the judge of whether it was vulgar, snobbish or bigoted."

The majority in New Era seems to prefer tendentious opinion to simple evidence. Many of us would disagree.

Finally, there is still a greater danger lurking in New Era, that important figures in our national experience, or their descendants, will effectively stifle critical work, either in biography or historical analysis by withholding the right to make fair use of their unpublished materials.We cannot believe that that serves the national interest.

In summary, I urge the committee to adopt the legislation before it, restoring a proper balance to our copyright law. Congress need not fear that this will lead to rampant invasion of property rights. The writers of America are not seeking a license to steal but merely the traditional latitude to draw on our national heritage of experience and learning.

Scholarship is a cumulative process, each generation drawing on the experience of those who have come before.

It would be inappropriate to close this testimony without making fair use of at least one published source, in this case Didacus Stella's famous aphorism, "A dwarf standing on the shoulders of a giant may see farther than the giant, himself."

Standing on Stella's shoulders, Isaac Newton said, "If I have seen farther, it is by standing on the shoulders of giants." Standing on Newton's shoulders, may I say, on behalf of all America's dwarves, please don't take our shoulders away.

[The prepared statement of Mr. Lukas follows:]

J. Anthony Lukas

Statement Submitted to the House Subcommittee on Courts, Intellectual Property and the Administration of Justice and the Senate Subcommittee on Patents, Copyrights and Trademarks.

July 11, 1990

Mr. Chairman and Members of the Congress:

Let me tell you a story. In 1978, I was researching my last book, Common Ground, about the intersecting lives of three Boston families--one black, one Irish, one Yankee--during the decade of struggles over school desegregation.

I had a hunch that what drove those families--and the groups of which they were part--into conflict with one another was not just the ruling of a federal district judge, but two centuries of American history in which they had been pitted against each other in intricate and subtle ways.

So I determined to track each of my three families back as far as I could--to County Louth for the Irish McGoffs, to Waterville, Maine for the Yankee Divers, and to Burke County, Georgia for the black Twymons.

That spring of 1978, I flew down to Augusta, rented a car and drove into Burke County, one of the prime cotton-producing counties of eastern Georgia. For several weeks, I labored in the county land records, trying to find the plantation on which the Walkers--Rachel Twymon was born Rachel Walker--had served as slaves. Finally, I zeroed in on one section of the county, where I had reason to believe the plantation had stood.

It was then that somebody directed me to a farmer named Ashley Padgett who had an interesting sideline: rescuing architectural artifacts from crumbling old plantation houses and selling them to Atlanta Yuppies. People said he knew every plantation house for miles around. For four days, Ashley and I tramped the woods and swamps looking for that house. Finally, one afternoon, we rounded a bend in the river and there, spread out before us, was just what we had been looking for: the ruins of a house up on a hill, nestled in a stand of pines; the remains of the slaves quarters just behind; the slope down to the river just as we had heard it described. For one glorious moment, Ashley and I stood transfixed in that clearing in the woods. Then we did a little jig for sheer joy.

That discovery gave Ashley a notion, and when we got back to his house, he called a friend named Phil Greshem, who he now realized must be a descendent of the slave-owning family. "I got this fella from New York I'd like to bring over," Ashley said. By the time we arrived at Phil's house, he had retrieved from the attic a box of family memorabilia which he set out on the coffee table.

With Phil's encouragement, I dove in and quickly hit paydirt. In one old ledger book, I found confirmation that one Fanny Walker--Rachel Twymon's great-grandmother--had indeed been the Greshems' slave. And in a stack of yellowing letters I found a line from one of the senior Greshems on the occasion of his nephew's marriage two years after the end of the Civil War and the freeing of the slaves. "I am sorry that circumstances are such that I cannot give him a Negro," Mr. Greshem wrote, "but I must do the next best thing left, that is give him a mule."

It seemed to me that that line captured vividly and succinctly the atmosphere in which the Walker clan grew up in Reconstruction Georgia. But if the Second Circuit Court of Appeals decision in New Era Publications International vs. Henry Holt and Company, Inc. had then been the reigning precedent, I might never have been able to use that line in my book.

Phil Greshem might have been amenable, but I don't think it would have been Phil who held the copyright. Later, I was to meet another Greshem who, when he found out that I was looking into slavery, abruptly grew frosty and ordered me to leave.

But, ladies and gentlemen, I ask you to consider how many journalists and biographers and historians would tramp the woods and swamps of Burke County, Georgia; spend weeks in the land records; seek out boxes of old family memorabilia and dusty letters, if the fruits of their research could be so abruptly denied them.

But, understand me please. I am not pleading here merely on behalf of the 6,500 American authors who belong to the Authors Guild, of which I am secretary; nor on behalf of our sister organization, P.E.N. or our cousins, the thousands of historians in the American Historical Association and the Organization of American Historians, all of which, I understand, favor the legislation you have before you.

Yes, we are deeply aggrieved by the ruling of the Second Circuit. But we would suggest to you that the biggest losers are your constituents, the people of America, who, if this ruling is permitted to stand as the guiding precedent in this area, will increasingly find fewer works of compelling history and biography available on their bookshelves and eventually in their libraries.

That is no small matter, I would suggest, because history, biography and other serious works of non-fiction are the record of our national experience, the story of who we are as a people, where we have come from and where we seem to be going.

Certainly, I recognize that we are dealing here with countervailing claims. Indeed, the Authors Guild--through its sister organization, the Authors League--has a historic concern with the protection of Authors' rights in the area of copyright. Certainly, authors' rights in their own works--published and unpublished--need to be preserved through appropriate copyright legislation.

But bearing against that interest is the powerful interest of promoting the public's store of knowledge. The framers of the Constitution specifically proclaimed that copyright was necessary to promote "the progress of science and useful arts." Since creations of the mind were peculiarly susceptible to theft, this seperate property right seems to have been developed in order to give creators of intellectual property sufficent economic security to add to public knowledge.

I would contend that the Second Circuit, in a series of cases culminating in New Era, has put a heavy thumb on the scales of this historic balance, tilting them toward property rights and away from the need for intellectual progress. Your job is to restore that balance. The legislation before you would accomplish that purpose without infringing on author's legitimate property interests.

Why is New Era so devastating to serious historical and biographical research? Because it displays a fundamental misunderstanding of the role of unpublished materials in responsible scholarship, indeed in the writing of any serious non-fiction. The very unpublished materials, whose use the Second Circuit would discourage, are the essential raw materials of the historian's and biographer's work. Yes, there are always secondary sources to draw on, important works of scholarship by earlier writers, who have summarized and synthesized the subject one is addressing. But no serious scholar or journalist can afford to rely heavily on secondary sources. The first commandment of the scholar and journalist alike is: Go to the original sources. Get the letters, memoranda, diaries, first drafts and subsequent revisions of important documents, in short, the materials which will reveal character, motivation, style, and context.

The second commandment is: show, don't tell. All of us are "told" all our lives. We are "told" by our parents, by our teachers, by our bosses, by our media moguls, dare I say by our political leaders. Somehow, over all those years of telling, we build up a resistance to things that other people assert to be true. That is why showing--the dispassionate presentation of evidence--is so much more powerful than telling.

If I tell the current high school student, who may know next to nothing about Adolf Hitler, that the Fuhrer was a mad beast, a raging meglomaniac, who wreaked havoc in the world for more than a decade, the student may or may not accept what I tell him. But if I ask him to read Mein Kampf, the findings of the Nuremberg Tribunal, the reports of correspondents who visited the concentration camps after the war, if in short I show him who Adolf Hitler was, I am much more likely to be believed.

This, I think, is the answer to those who say: New Era doesn't really effect your ability to do your work because you are free to use the facts in unpublished materials. All that is foreclosed to you are the actual words, the mode of expression, used by the writer.

But that argument is not terribly persuasive to writers. For we who use words for a living know the terrible and wonderful power of words. If eyes are the windows of the soul, then words are the windows of the mind. Frequently, the facts contained in a sentence are much less important than the way they are expressed, the words a writer chooses to use. As Judge Leval wrote in his district court opinion in New Era, the value of most of the challenged quotations from Bare-Faced Messiah was "precisely in the subject's choice of words--not as a matter of literary expression--but for what the choice of words reveals about the subejct."

Take, for example, L. Ron Hubbard's sentence, dealt with in New Era itself--"The trouble with China is, there are too many Chinks here."

If this quotation was foreclosed, one could, I suppose, paraphrase as follows: "The indigenous population of China is too large." Does anyone believe that does justice to the spirit of Hubbard's remark?

Or, as Judge Oakes pointed out in New Era, one could write, "Hubbard used a vulgar derogatory epithet exhibiting snobbish bigoted disdain for the Chinese." But that, as the judge recognized, would be "at once unfair to the biographer, the subject and the readership, which can reasonably demand to know, 'What did he say?' Let us be the judge of whether it was vulgar, snobbish or bigoted."

That is one of the principal lessons of this whole matter, I think. The majority in New Era seems to prefer tendentious opinion to simple evidence. If the evidence through judicious "fair use" of unpublished materials is foreclosed, many writers will perforce fall back on bald characterization of the work in question. Which is more responsible, to call Hubbard a bigot or to quote him using a racial ephithet, and let the reader make up his own mind.

Finally, there is still a greater danger lurking in New Era: that important figures in our national experience, or their descendents, will be able to effectively stifle critical work either in biography or historical analysis, by withholding the right to make "fair use" of their unpublished materials. To cite a purely hypothetical situation, would it really be in the national interest for the granddaughters of John Mitchell or Abbie Hoffman--to take just two figures from our recent past--to stop responsible historians or biographers from making "fair use" of their grandfathers' papers because they feared the resulting works would be less than idolatrous?

In summary, I urge the committee to adopt the legislation before it, restoring a proper balance to our copyright law, by permitting the same "fair use" of unpublished materials as is now the custom with published materials.

Congress need not fear that this will lead to rampant invasion of writers' or public figures property rights. The writers of America are not seeking a license to steal, but merely the traditional latitude to draw on our national heritage of experience and learning. Scholarship is an endlessly cumulative process, each generation learning from and revising the lessons learned by those who have come before.

It would be inappropriate to close this testimony without making fair use of at least one published source, in this case Didacus Stella's famous aphorism, "A dwarf standing on the shoulders of a giant may see farther than a giant himself." Standing on Stella's shoulders, Isaac Newton said, "If I have seen farther, it is by standing on the shoulders of giants." Standing on Newton's shoulders, may I say: "On behalf of all America's dwarfs, please dont take our shoulders away."

###

Senator **Simon**. We thank you both. Let me ask, have either of you talked to authors who have completed works who now have had lawyers or publishers who say, "We may have to have some massive revisions here, or substantial revisions?"

Mr. **Branch**. I have not. Authors tend to be rather isolated. I have actually talked to Tony more than anyone else, and we have wrung our hands because we have both talked to our publishers and our editors. But no, I have not talked to many authors.

Mr. **Lukas**. All I can say is that as secretary of the Authors Guild, I come into some contact with my colleagues. It is true, we are reclusive by nature, but we have shared some of these feelings in our Authors Guild meetings. I would say that there are substantial numbers of writers—particularly writers who work the territory that Taylor and I work, which I think he accurately described as that area between daily journalism and term papers—who have been seriously affected by this ruling.

It is an evolving field. I was very impressed by the three judges who preceded us. Obviously, they are men of scholarship and good intentions. But I do believe that the second circuit's rulings here, whether intended or not, have been truly chilling to the area in which we operate.

Senator **Simon**. Congressman Kastenmeier.

Representative **Kastenmeier**. Thank you. You are both experienced writers with already established careers. In terms of anecdotal evidence, your own experience, let's say, going back 15 years or even, you can go back 20 or 25 years, what was your perception of access that you had to unpublished works; that is to say, did you have no trouble at that time, or was there a difficulty of clearing access and use of a different sort?

What I am trying to get is some historic context in terms of your own experience and that of other long-time writers, in terms of why their present experience is so different? Was the law quite different 15 or 20 years ago as far as you know?

Mr. **Branch**. I think that when you start out in a writing career, you learn the territory. It is not just copyright. Primarily, you are concerned with fairness, privacy, plagiarism. You learn the law of the ground as to what fair use is over time. You worry about quoting too much, stealing material.

But you develop a comfort, to some degree, in knowing what the boundaries are. The fear, here, is that the ground has been cut out from under you—that a copyright decision has undermined what we have come to understand is our vineyard, where we work, in unpublished materials.

All of a sudden, this decision says that these materials are off limits. That is why it has the terribly chilling effect.

Representative **Kastenmeier**. Assuming you are experienced, or similar authors who do historic works and so forth have long experience, how was it different, let's say, 15 years ago? Did you feel that you had fair use access to unpublished works without any difficulty?

Mr. **Lukas**. I would like to give an example. I started as a daily journalist, worked for the New York Times for a number of years and, frankly, as a daily journalist, these matters did not concern me.

When I started writing books—I would like to mention a specific book which, I think, would have been devastated by a strict publisher's construction of the second circuit ruling. It is a wonderful, wonderful book by a writer named Stephen Sears about the battle of Antietam. Sears has built this marvelous tale through assiduous research in the letters both of General McClellan and his staff and all of the generals on both sides and a wealth of letters by privates who served in both armies, by the ordinary soldier. The book is just incandescent.

That book played a significant role in my desire to write history. When I read that book, it never occurred to me that Sears was enjoined from using these letters to build the rich fabric of the battle of Antietam and the Civil War. I was encouraged to hear Judge Miner say that, perhaps, the work of writers of a certain era could be exempted from his restriction on fair use. I don't find that in New Era.

So, in answer to your question, I presumed, in reading Sears, that Sears and I were free to make fair use of documents like that. That is not the way I read the second circuit's opinion.

Senator SIMON. Thank you, gentlemen.

Congressman Berman?

Representative BERMAN. I think you both make a very compelling case for the legislation, the situation and the chilling effect on you without some clarity and some action here, by us or by the Supreme Court. But what about the chilling effect on the authors of these unpublished works if we do take this kind of action? To what extent, if all this is simply open to your use, to what extent does that, prospectively, discourage people from writing memoirs and writing letters and giving voice to their own thoughts as freely?

Mr. BRANCH. Congressman, as authors, we depend on those same protections, too. It appears to me that fair use is its own protection. We, certainly, don't want anybody to make unfair use of our own work, break into my house or Tony's house and take a manuscript and publish it as their own.

But our whole careers are shaped by the belief, the experience, that fair use is its own protection, or can be made a full protection.

Our careers, and I think the careers of a lot of writers who are doing similar work in history, such as Robert Caro and Neil Sheehan, convince us that it is a rich field and that fair use protection allows it to be developed. Without that protection, the evolution in that field would be closed off, and people wouldn't go into it.

So we recommend the legislation. To us, it offers people on all sides the protection of fair use and removes the threat that the exemption of unpublished materials poses to fair use.

Mr. LUKAS. I would like to make one point which, I'm sure, has not escaped the committees' attention, here. But let me just say that P.E.N. and the Authors Guild are both rather feisty organizations which almost never agree. Writers are disputatious people, as legislators are. We often have difficulty communicating between these two organizations.

This is a thorny field, I grant you, but I would suggest to you that there is a remarkable consensus congealing here. Not everybody in this room shares it, but not only were P.E.N. and the Authors Guild able to get together on this, which is quite astonishing, but we were able to establish common ground with our two sister organizations in the historical field, the two organizations representing historians. More astonishing yet, we two authors groups, who often disagree, were able to establish common ground with the publishers, which is a simply astonishing development.

Mr. **Branch**. With whom we are always feuding.

Representative **Berman**. I take it J.D. Salinger is not part of this consensus.

Mr. **Lukas**. No. And, as I heard it today with at least two of the distinguished jurists who preceded us. It seems to me that a remarkable degree of consensus, notwithstanding the concerns that you raised. There are difficulties in preserving the property rights of authors and not impinging on free expression for fear that it will be printed in an unauthorized way. These concerns need to be addressed.

I suggest to you that there is a remarkable degree of consensus emerging that something needs to be done.

Representative **Berman**. I guess I agree. There are just some aspects of this on the other side that it seems to me should be brought up and raised and thought about before we vote on this.

Senator **Simon**. If I could just ask one softball final question; if we err, we should err on the side of the freedom; right?

Mr. **Lukas**. We're for freedom.

Senator **Simon**. We thank you both, very, very much, for your testimony.

The next panel consists of Mr. Floyd Abrams of Cahill Gordon & Reindel of New York; Barbara Ringer, former U.S. Register of Copyrights; Jonathan Lubell of Morrison Cohen Singer & Weinstein in New York.

Mr. Abrams, if we can call on you and, again, we will enter the full statements of the witnesses in the record. If we can limit you to 5 minutes in your statements, we would appreciate it.

PANEL CONSISTING OF FLOYD ABRAMS, ESQ., CAHILL GORDON & REINDEL, NEW YORK, NY; BARBARA RINGER, ESQ., FORMER U.S. REGISTER OF COPYRIGHTS, LIBRARY OF CONGRESS; AND JONATHAN W. LUBELL, ESQ., MORRISON COHEN SINGER & WEINSTEIN, NEW YORK, NY

Mr. **Abrams**. Thank you, Senator Simon. I appear today on behalf of and to express the concern of the American Historical Association, the Organization of American Historians, the National Writers Union, the Authors Guild, P.E.N. American Center and the Association of American Publishers about the current legal situation that exists in this area and their support for this proposed legislation.

I thought that I would deviate entirely from my prepared testimony and just try to offer you a from-the-legal-trenches vision of how the current law works and why, in my view, at least, the new legislation would be desirable.

We live under a system which has four factors which judges look to to determine if a use is fair or not when somebody quotes expression from someone else. The way it has worked in the field, in the trenches, in the courts, is that the moment a judge determines that a work that is quoted from is unpublished, the second factor, the nature of the copyright work, is deemed to have been won, as it were, by the plaintiff and lost by the defendant who has been quoting from the work.

And so one starts out, in any case, these days, involving quotations from unpublished work, losing from the side that I tend to be on, losing on factor two which the second circuit in the *Salinger* case called a factor they look to with "special emphasis," and losing as well, and almost immediately, on factor four which the courts have said, over and over again, is the most important factor, the single most important factor, the impact on the marketplace because what the courts have done is move from factor two to factor four and to conclude, from the combination of them both, that, therefore, on that basis, and without more, that there is copyright infringement.

So the bottom line about the legal system today is that we operate under a stacked deck, if I may mix my metaphors, with respect to any determination of fair use with respect to any use of unpublished works.

We at the bar who practice in this area, therefore, know what we have to tell clients. And we are not misreading the law. We are not hysterically overreacting to the law. We are not risk-averse to the point that we are simply timidly avoiding any potential of risk. I assure you, publishing lawyers do not make a living by telling their clients "no." It is their role to try to find a way to get things published, not not published.

But the current regime of copyright law has led to a situation where the answer, again and again and again, of the lawyer that examines a forthcoming biography, a forthcoming work of history or the like is:

> This is a problem. This is unpublished. You are quoting from an unpublished letter. You want to quote from an unpublished diary. You want to quote from the entire range of materials Mr. Branch set forth earlier. You publish at your peril.

So we live under a regime, today, in which, for these reasons, because of the case law that currently exists, virtually every biography has to be read with enormous care and, too often, with an effort at sanitizing it.

That is a sad result. It is an unnecessary result. It is, in my view, a result of the combination of cases, not one case from the second circuit, but the *Nation* case plus the *Salinger* case plus the *New Era* case together which have sent a very clear message to the publishing community which they understand, and which they understand to be, "You can't print that."

So we come to you, today, as people who think that we know how to hear the music as well as the words of judicial decisions to ask you to change that, to deal with that problem. We think what we ask of you is a modest request, a small change in language, but we think it is a very important one and we urge it on you.

A final thought, in 30 seconds; much of what has been said today on the other side has suggested, at least inferentially, that if this legislation passes, it will be open season, that anything will go. Not so. We talk only here about allowing judges to apply fair use principles to unpublished works, not to allow unlimited quotations, not to allow ripoffs of works which have not been published.

So, with that in mind, I do urge you to adopt the legislation and I look forward to your questions.

Senator SIMON. Thank you very much.

[The prepared statement of Mr. Abrams follows:]

Statement of Floyd Abrams
before a joint hearing of the
House Committee on the Judiciary
Subcommittee on Courts, Intellectual Property,
and the
Administration of Justice
and the Senate Committee on the Judiciary
Subcommittee on Patents, Copyrights and Trademarks
July 11, 1990

Mr. Chairman and distinguished committee members: I appear, at your invitation, to testify in support of the adoption of S. 2370 and H.R. 4263, legislation designed to assure that fair use principles are applied to unpublished as well as published works. I appear to express the concern of and support for this legislation of the American Historical Association, the Organization of American Historians, the National Writers Union, the Authors' Guild, Inc., PEN American Center and the Association of American Publishers. I appreciate your invitation, and am delighted to have the chance to testify before you.

I have more than once encountered the topic of these hearings in litigation on behalf of clients: I was counsel to The Nation in the unsuccessful defense of their position in Harper & Row v. Nation Associates[1]; I represented Random House, Inc. in their unsuccessful effort to persuade the Supreme Court to grant a writ of certiorari in the case brought against it by J.D. Salinger[2]; and I, together with Professor Leon Friedman, unsuccessfully urged the Supreme Court on behalf of PEN American Center and the Authors Guild Inc., as amici curiae, to grant a writ of certiorari in the case of New Era Publications Int. v. Henry Holt & Co.[3] No one with the won-loss record reflected in these cases could fail to be described as an expert in this area. I hope, however, you will indulge me in the assumption that in other areas of law I have occasionally done better. More than that, I hope you will agree with me that the legislation about which these hearings center should be adopted.

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[1] 471 U.S. 539 (1984).

[2] Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987), cert. denied, 484 U.S. 890 (1987).

The need for the adoption of new legislation in this area did not arise overnight. It is not the product of one litigation or of one ruling, and certainly not the views of any one judge. To some degree, it arises from the language of Section 107(2) of the Copyright Act itself; that section states that "the nature of the copyrighted work" shall be one factor to be taken into account in determining if a use of another's expression was "fair." What is it talking about? The nature of the work in the sense of a biography or a cookbook? A poem or a musical composition? The fact that a work is predominantly factual? Or whether the quoted-from work was previously published or unpublished?

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[3] 873 F.2d 576 (2d Cir. 1989), reh'g denied en banc, 884 F.2d 659 (2d Cir.), cert. denied, 110 Sup. Ct. 1168 (1990).

Prior to the Supreme Court's ruling in the Nation case, the relevance of the unpublished character of a work was hardly clear. With the abolition in 1976 of publication as what the House Report characterized as the "dividing line between common law and statutory protection and between both of these forms of legal protection and the public domain,"[4] the argument was certainly plausible that the determination of fair use, as well, was not to be made based upon the published or unpublished status of the work at issue. So was the competing contention that, as a Senate Report observed, "[t]he applicability of the fair use doctrine to unpublished works [remains] narrowly limited."[5]

In its ruling in the Nation case, the Supreme Court opted for the second view, concluding that "under ordinary circumstances, the author's right to control the first public appearance of his undisseminated expression will outweigh a claim of fair use." 471 U.S. at 555. Two years later, in Salinger, the Court of Appeals for the Second Circuit concluded that unpublished works "normally enjoy complete protection against copying." And in the still more recent ruling of the

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[4] H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 129 (1976).

[5] S. Rep. No. 94-473, 94th Cong., 1st Sess. 64 (1975).

Court of Appeals in the New Era case, the Court of Appeals concluded that publication of even "a small . . . body of unpublished material cannot pass the fair use test, given the strong presumption against fair use of unpublished work." 873 F.2d at 583.

These rulings have had enormous practical as well as theoretical impact. As a result of the rulings, history cannot now be written, biographies prepared, non-fiction works of almost any kind drafted without the gravest concern that even highly limited quotations from letters, diaries or the like will lead to a finding of copyright liability and the consequent issuance of an injunction against publication. Subjects of biographies and their heirs have been provided a powerful weapon to prevent critical works from being published. They have used it unsparingly. Authors have been obliged to characterize -- without quoting, without paraphrasing -- what their subjects have said, thus making it impossible for readers to pass judgment for themselves about the nature of what was, in fact, said. So acute is the concern wrought by these rulings that Arthur Schlesinger Jr. has observed, "[i]f the law were this way when I wrote the three volumes of The Age of Roosevelt, I might still be two volumes short."[6]

At the risk of belaboring the point, allow me to guide you on a brief trip through current legal doctrine. In The Nation, as I have said, the Supreme Court declared that "under ordinary circumstances" a claim of fair use would not be sustained as regards an unpublished work. 471 U.S. at 555. That determination, as later construed and applied by the Court of Appeals for the Second Circuit, has made it all but impossible for alleged infringers to meet the four-part test that, according to Section 107, a court must consider to determine whether or not a use was fair. Enacting this bill into law will eliminate that nearly insurmountable presumption against a finding of fair use while still leaving the courts free to engage in a detailed examination of what use is and is not fair.

The Nation case included a crucial and lengthy preliminary discussion explaining why uses of unpublished works find less favor under the Section 107 factors than uses of published works. The Court noted, citing an earlier decision, that the grant of copyright monopoly is "'intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after [a] limited period of exclusive control has expired.'" 471 U.S. at 546, citing Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 429 (1984). The Court declared that a holder of a copyright possesses a special right first to publish his work. But whereas Section 106(3) of the Copyright Act sets forth that right as one of those possessed by a copyright owner (and thus, presumably, subject to fair use under Section 107) the Court went far toward elevating the right of first publication to being the Act's most significant right. 471 U.S. at 553. It observed that the purpose of the copyright clause was "to increase, and not to impede the harvest of knowledge." 471 U.S. at 545. It then presumed that the crucial economic incentive to create lay in retaining the right to disseminate to the public one's own work and that allowing liberal fair use would rob a copyright holder of the commercial value of that right. Thus, it forged a crucial link between the right of first publication and the purpose served by the copyright clause -- maintaining an incentive to produce works of artistic and intellectual genius. But in so doing, the Court seemed to suggest that a historian or other scholar can use unpublished material fairly only in the most extremely limited circumstances, lest the purpose served by the copyright monopoly be transgressed.

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[6] Newsweek, December 25, 1989, p. 80.

Recall now the four factors considered by a court to determine fair use: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. Citing the *Nation*'s preliminary discussion emphasizing the limited circumstances in which use of unpublished documents is protected by fair use, the opinions of the Second Circuit have "place[d] special emphasis" on the second factor -- the nature of the copyrighted work. *Salinger*, 811 F.2d at 96. As read by the Second Circuit, then, *The Nation* requires the courts to make a redundant and, from the point of view of the secondary user, a loaded inquiry. A court must place "special emphasis" upon the second factor; if a work is unpublished, the alleged infringer will, in the ordinary course and for that reason alone, lose on the second factor; and if the accused loses on the second factor, then he or she is well on the way to losing the case.

From an adverse decision on the second factor, it is a natural -- almost inevitable -- step under current law for a court to find against the defendant on the fourth factor, the effect of the use on the market for the copyrighted work -- which the courts have consistently concluded is "the single most important element of fair use." Nation, 471 U.S. at 566. Since the crucial preliminary question is whether the copyright holder has in fact exercised the right to publish, any dissemination before he does so will by definition interfere with a writer's opportunity initially to publish. In Salinger, for example, the Second Circuit noted that "the impairment of the market seems likely [because t]he biography copies virtually all of the most interesting passages of" Salinger's unpublished letters. 811 F.2d at 99. It is not coincidental that in neither case interpreting the Nation has the Second Circuit not found some impairment of the market. And so, the fact that a work is unpublished leads speedily -- and dangerously easily -- to a ruling by rote in favor of the plaintiff on the critical fourth factor. With this victory in hand -- the second factor plus the "most important" fourth factor -- the plaintiff cannot lose. And the plaintiff does not lose.

Something is missing from this analysis. Is it not possible to distinguish between kinds of appropriations of unpublished material? Surely a difference exists between the writer who quotes extensively from previously unpublished poems simply to take advantage of particularly mellifluous expression and the historian who quotes the expression because it is necessary to explain the nature of the poet's literary contribution. Surely, the effect on the market of the unpublished material is considerably more pronounced in the former case, where the reading public first glimpses everything in and of itself, than in the latter case, where the public views the unpublished expression as central to an independant work of criticism. Under the law currently being enforced, courts simply do not ask these questions.

There have, to be sure, been some indications that recent fair use rulings allow the quotation of at least some unpublished material. For example, in his opinion denying a petition for a rehearing of New Era, Judge Miner responded to critics of the Court's original conclusion with the observation that "there is nothing in the [New Era] majority opinion that suggests" certain small amounts of unpublished expression would not constitute fair use. 884 F.2d at 661. Judge Newman, the author of the Second Circuit opinion in Salinger, asserted, in support of reconsidering New Era, that "the doctrine of fair use permits some modest copying of an author's expression in those limited circumstances where copying is necessary fairly and accurately to report a fact set forth in the author's writings." Id. at 663.

But these words do not solve the problem. Any fair use analysis involves inherently unquantifiable judgments. The question of how much use of another's expression is too much will be with us as long as the concept of fair use itself is with us. But with the addition of the concept that virtually any use of expression from unpublished works is unfair, any delicate balancing process has been undone.

Although the Second Circuit decisions have exacerbated the situation created by this portion of the Nation ruling, the central problem -- the problem addressed by these bills -- remains the strong presumption against finding fair use for unpublished material articulated in the Nation case itself. I do not come before you, then, simply to ask for the supposed "overruling" of dicta in the Second Circuit's New Era opinion, as one commentator has advised this committee.[7] Instead, what needs rethinking -- and a legislative response -- is the very analytical framework of this issue that insists that the unpublished character of a work should weigh heavily against any quotation from it being deemed fair.

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[7] Letter from Jane C. Ginsburg to Representative Robert Kastenmeier 3 (June 25, 1990) [hereinafter Ginsburg letter].

Why should this be so? Why should it be so at all? In some circumstances, the unpublished character of, say, a quoted-from poem or essay about to be published may well gravitate against a finding of fair use. But why should the disclosure of the "smoking gun" quotation from a letter written by a corrupt political leader even be presumed to be unfair? Why should Robert Caro's use of any quotations from the papers of Robert Moses in Caro's preparation of his critical -- and Pulitzer-Prize winning -- biography, "The Power Broker," be deemed presumptively unfair? Why should James Reston, Jr., the author of a recent biography of John Connolly, have had to limit significantly his use of letters written from Mr. Connolly to President Lyndon B. Johnson because (as Reston wrote) "no author could bear [the] risk" that any such use would now be deemed unfair?[8] Why should Bruce Perry, the author of a forthcoming biography of Malcolm X, have been forced to delete "a great deal of material" from letters of his subject which are essential to conveying his character because of threats from his widow that she is "quite concerned" about the biography being written without her consent?[9] Why, as well, should Victor Kramer, a literature scholar who has been working on a biography of James Agee, thus far have been simply unable to publish his work because of opposition by the executor of the Agee estate?[10] The problem lies with the presumption itself, not with any particular judicial application of it.

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[8] Letter from James Reston, Jr. to Arthur M. Schlesinger, Jr., quoted in Brief Amici Curiae of PEN American Center and the Authors Guild Inc. in Support of Petition for Certiorari (No. 89-869).

In the end, the presumption against any use of unpublished expression being deemed fair misapprehends the way historians, biographers and others go about their efforts. Judge Leval made this point eloquently:

> First, all intellectual creative activity is in part derivative. There is no such thing as a wholly original thought or invention. Each advance stands on building blocks fashioned by prior thinkers. Second, important areas of intellectual activity are explicitly referential. Philosophy, criticism, history, and even the natural sciences require continuous reexamination of yesterday's theses.

Quoting or paraphrasing expression often is the key to this enterprise. It creates understanding, not simply dry knowledge. It allows us to appreciate inference, to explain nuance. It allows us to probe the state of mind of historical figures. Creating a foreboding and legalistic presumption against this sort of enterprise harms our understanding of ourselves and thus fails to fulfill the purposes of the copyright law. As long as the far "narrower standard" for unpublished documents remains, a court's four-factor inquiry will always complete itself before it begins. The chance that a use of unpublished works will be determined to be "fair" will be slim, at best -- and, more often, non-existent.

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[9] Letter from Bruce Perry to Senator Paul Simon (July 4, 1990).

[10] Chronicle of Higher Education, April 18, 1990, p. A48.

Informed criticism, history or biography takes years to create. Those who do so serve all of us by their efforts. With increasing frequency, those who write these works have been constrained in their efforts, threatened by a body of law that has rigidly enforced a legal proposition that inhibits scholarship by chilling the publication process itself. The bills before you will go far to ending that chill by permitting the weighing of particular uses against the assuredly significant copyright owner's right to be the first disseminator of his private work. I do not for a moment suggest that the right of first publication -- and the commercial value that flows from it -- is not important or that it should not play a large part in a court's fair use analysis. But by eliminating a general presumption which so disfavors the use of unpublished expression that virtually all non-fiction writing has been put at peril, these bills will serve us all.

Copyright Injunctions

There is an additional disturbing element of this jurisprudence that I would like to address: the rather promiscuous way in which courts issue injunctions for violations of the copyright laws. In the context of unpublished expression, my concerns are even stronger.

In Salinger, Judge Newman concluded that if a biographer "copies more than minimal amounts of [unpublished] expressive content, he deserved to be enjoined." 811 F.2d at 96.[11] Based upon Judge Newman's language, the majority opinion in New Era declared that "[s]ince the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring unauthorized use . . . the consequences of the district court's finding [that a small, but more than negligible, amount was unfairly used] seem obvious." 873 F.2d at 584. Explaining his views in his response to the motion for rehearing, Judge Miner made plain that "under ordinary circumstances" use of more than minimal amounts requires an injunction. 884 F.2d at 662.

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[11] Judge Newman later explained in his dissent from the decision not to rehear the New Era case, the "sentence from Salinger was concerned with the issue of infringement, not the choice of remedy." 884 F.2d at 663 n.1.

In my view, both the language of the Salinger and the New Era rulings are consistent with the law that has generally existed in this area. It is perfectly accurate for Judge Miner to conclude that at least under "ordinary circumstances" injunctions routinely follow findings of copyright liability. So they have. But should they?

I start with the proposition, not unknown in First Amendment law, that injunctions on books are generally anathema to a free society. Prior restraints are generally viewed "as the most serious and least tolerable infringement on First Amendment rights." Nebraska Press Ass'n v. Stuart, 427 U.S. 539, 559 (1976). We do not permit prior restraints in libel cases, no matter how persuasively a plaintiff demonstrates harm caused by the intended speech. The Supreme Court, to this date, has never held constitutional any prior restraints on publication by a newspaper. Why, then, are we quite so willing to interpret copyright law to require even the near-automatic issuance of an injunction against the publication of a book which includes in it some infringing material? If the First

Amendment prevented a court from enjoining the entire Pentagon Papers, notwithstanding the national security concerns cited by the government which were explicitly accepted by a majority of the Court, why should selective unpublished quotations used in a significant piece of history or scholarly criticism routinely be subjected to the literary equivalent of capital punishment known as an injunction?

I suggest no more than that, at the least, courts should weigh carefully what remedy should be awarded even after a finding of infringement. Enjoining publication of a book is serious, and ritualistic incantation of the availability of injunctions in copyright cases makes it no less so.[12] I thus agree with the views of Chief Judge Oakes in his opinion in New Era, in which he said that "a non-injunctive remedy [often] provides the best balance between the copyright interests and the First Amendment interests at stake" in any given case. 873 F.2d at 597.

On one level, enacting this bill into law should go a long way toward reducing the number of nearly automatic injunctions by reducing the number of infringement claims against publishers and authors who make selective use of unpublished expression. But the injunction issue cuts deeper. I join other commentators in urging Congress formally to request the Copyright Office to evaluate how frequently and with what justification courts issue injunctions against publishers and authors in infringement cases. The Copyright Office should submit to Congress the results of its findings and Congress should review those findings, reflecting carefully on the profound implications for the First Amendment they may suggest.

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[12] Not insignificantly, the Copyright Act implicitly repudiates the automatic issuance of an injunction. It provides simply that "any Court . . . may . . . grant temporary and final injunction." (emphasis supplied)

The Berne Convention

The proposed amendment provides the additional benefit of bringing our copyright law more in line with the international copyright standards set forth in the Berne Convention.[13] It has been argued before this Committee[14] that the amendment is somehow incompatible with the Berne Convention. As I will indicate later, it appears on the contrary that passage of this bill may well be a major step toward compliance with our international obligations.

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[13] Berne Convention for the Protection of Literary and Artistic Works, Paris Act of June 24, 1971 [hereinafter Berne Convention].

[14] *See* Ginsburg Letter 4.

Before reaching that issue, however, I start with a far easier one: whether, and to what extent, our adherence to the Berne Convention restricts the ability of the Congress to amend American copyright law. The Berne Convention Implementation Act of 1988[15] makes plain that the Convention is "not self-executing."[16] The Act further states that "[t]he obligations of the United States under the Berne Convention may be performed only pursuant to appropriate domestic law."[17] Finally, the Convention itself gives authors protections "in countries of the Union other than the country of origin" of the work.[18] What all this boils down to is the following: the Berne Convention is not American law; the Berne Convention can be followed only by applying American law; and the Berne Convention simply does not apply to American authors filing claims in American courts for their unpublished works or their works published in the U.S.[19]

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[15] Pub. L. No. 100-568, 102 Stat. 2853 (1988) [hereinafter Implementation Act] (codified as amended in scattered sections of 17 U.S.C.).

[16] Id. § 2(1), 102 Stat. at 2853.

[17] Id. § 2(2), 102 Stat. at 2853.

[18] Berne Convention, art. 5(1). The "country of origin" of a work is determined according to elaborate rules set forth in the Berne Convention, art. 5(4).

The Berne Convention, in any event, employs a "fair use" scheme similar to our own: it gives an exclusive right of reproduction to the creator of a work,[20] but permits reproduction by others for certain purposes.[21] The Convention explicitly declares that "[i]t shall be a matter for legislation in the countries of the Union" to define those "certain special cases" in which reproduction is allowed.[22]

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[19] *See* *Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention*, 10 Colum.-VLA J.L. & Arts 513, 516-17 (1986). *See also* 3 M. Nimmer & D. Nimmer, *Copyright* § 17.01[B], at 17-8 (1989) (protections provided by Convention are "*minimum standard[s]*, which the United States must accord to Convention claimants but need not make available to Americans"); S. Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986*, § 5.71, at 212 (1987) ("For his unpublished works, an [American] author receives in [the U.S.] the protection of [American] law, but none of the rights 'specially granted' by the Convention.").

For their works published abroad in a Berne Union member nation, American authors filing a claim here would receive both domestic law protection and Berne protection. *See* S. Ricketson, § 5.71, at 212. Their Berne claims, like the claims of foreign nationals whose works are published abroad, might be unenforceable if our law did not support the claim. This is because Berne is given effect here only under our law. *See* Implementation Act § 3(a).

[20] *See* 17 U.S.C. § 106(a), (c) (1982); Berne Convention, art. 9(1).

[21] *See* 17 U.S.C. § 107 (1982); Berne Convention, arts. 9(2) (general exception), 10(1) (use of quotations), 10(2) (use in teaching), 10bis(2) (use for reporting). One provision permits reproduction of published articles without employing a fair use analysis. *See* Berne Convention, art. 10bis(1).

The purpose of this scheme, as elaborated in the leading treatise on the Berne Convention, has a familiar ring to American ears:

> "[T]hese might be described as instances when it is considered that the 'public interest' should prevail against the private interests of authors. . . . In truth, 'public interest' is a shifting concept that requires a careful balancing of competing claims in each case."[23]

The members of the international copyright community perform this careful, fact-dependent, case-by-case equitable analysis by instructing their courts[24] to consider several factors. These include the following:

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[22] Berne Convention, art. 9(2).

[23] S. Ricketson, § 9.1, at 477 (1987). *See also* World Intellectual Property Organization, Pub. No. 615(E), *Guide to the Berne Convention* § 10.1, at 58 (1978) [hereinafter *Guide*] ("[T]he[] aim [of limitations on the exclusive right] is to meet the public's thirst for information.").

[24] *See*, *e.g.*, *Guide*, § 10.4, at 59 ("The fairness or otherwise of what is done is ultimately a matter for the courts. . . .").

(1) the reproduction should "not conflict with a normal exploitation of the work";[25]

(2) it should "not unreasonably prejudice the legitimate interests of the author";[26]

(3) it should be "compatible with fair practice";[27] and

(4) the extent of the use should be "justified by the purpose."[28]

Both American law and the Berne Convention express an interest in preserving an author's "property interest in exploitation of prepublication rights."[29] Prior to 1976, our law did so, in good part, by erecting a wall between published and unpublished works. The Berne Convention, on the other hand, directs courts to consider an alleged infringement of that interest in exploitation of the work as part of the fair use equitable analysis.

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[25] Berne Convention, art. 9(2).

[26] Id.

[27] Id., arts. 10(1), (2).

[28] Id. See also id., art. 10bis(2) ("[T]o the extent justified by the informatory purpose.").

[29] Nation, 471 U.S. at 555.

214

Nowhere in the Berne Convention has the international copyright community categorically excluded unpublished works from a fair use analysis. There is no published v. unpublished distinction in the Berne Convention's fair use scheme. To abolish such a distinction in our law would make American law more not less compatible with the Berne Convention.

The explanation as to why American copyright law differs from international copyright law in this regard appears straightforward. Our Copyright Act gives an author the right "to distribute copies . . . of the copyrighted work."[30] That right includes "a distinct statutory right of first publication."[31] The Berne Convention does not recognize such a general right,[32] though it has lately considered doing so.[33]

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[30] 17 U.S.C. § 106(3) (1982).

Where we have strayed from the international consensus is in how to consider this right of first publication in the fair use balance. The courts have treated this right as "inherently different,"[34] from other statutory rights. The result is that, for unpublished works, "the balance of equities in evaluating . . . a claim of fair use inevitably shifts."[35]

On the other hand, the Berne Convention puts no such heavy thumb on the equitable scale. The Convention's basic right of reproduction[36] is directly limited by a fair use

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[31] Nation, 471 U.S. at 552.

[32] See S. Ricketson, § 8.48, at 409. The Convention does provide for a right of circulation in certain limited circumstances. See Berne Convention, art. 14(1) (right of distribution of cinematographic adaptations and reproductions), art. 14ter (optional provision conferring right to interest in sale of work subsequent to first transfer of the work by the author), art. 16 (right of seizure of infringing copies); see also S. Ricketson, § 8.42, at 403.

[33] See S. Ricketson, §§ 8.47-8.48, at 407-09.

[34] Nation, 471 U.S. at 553.

[35] Id.

[36] See Berne Convention, art. 9(1). The exclusive right of reproduction is considered the central right. See S.

Footnote continued on next page.

analysis without regard to whether the work is published or unpublished.[37] Further, when the Convention most recently considered enacting an explicit right of first publication, it did so in the context of that basic right of reproduction.[38] Even if our law were exactly the same as the Berne Convention in this respect, the Convention would grant no special status to unpublished works; an unadulterated fair use analysis would still apply. The bottom line is that the wall our law has built between published and unpublished works is neither recognized nor endorsed by the Berne Convention. This proposed legislation would tear down that wall and harmonize our law with the Berne Convention.

Much has been made in statements before this Committee[39] of a single phrase embedded in the broader Berne fair use scheme. That phrase is "lawfully made available to

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Ricketson, § 8.6, at 369 (characterizing art. 9(1) as "the general right," and the other rights, including the enumerated limited distribution rights, as "its derivatives"); *Guide*, § 9.1, at 54 (characterizing the right in art. 9(1) as "the very essence of copyright").

[37] *See* S. Ricketson, §§ 9.16-9.17, at 488-89.

[38] *See id.*, §§ 8.47-8.48, at 407-09.

[39] *See*, *e.g.*, Ginsburg Letter 4.

the public," and it describes the works from which quotations can fairly be made.[40] From this phrase, all sorts of restrictions have been read into the Berne Convention's fair use provisions and laid before this Committee. You have been told that for any use to be deemed fair, a work must have been "publicly disclosed";[41] that it must have been "intended for the public in general";[42] that "affirmative dissemination" of the work is required, for "mere[] accessib[ility]" is not enough;[43] and that an "authorial intent to disclose" the work is required.[44] Finally, you have been told that the whole enterprise in which you are engaged today "flout[s] our Berne obligations."[45]

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[40] Berne Convention, art. 10(1).

[41] Ginsburg Letter 5.

[42] Id. (quoting Guide, § 10.3, at 58). Professor Ginsburg cites the Guide as "authoritative"; the Guide itself states that it "is not intended to be an authentic interpretation of the provisions of the Convention since such an interpretation is not within the competence of the International Bureau of WIPO." Guide at 4 (preface of Arpad Bosch, Director General, WIPO).

[43] Ginsburg Letter 5.

[44] Id.

[45] Id.

I offer four brief responses to this parade of interpretive horribles. First, the results of such an interpretation of the Berne Convention would be radical. If this interpretation were correct, it would require a total bar on any fair use of unpublished works -- however brief, however significant, however insignificant. This extraordinarily draconian solution goes even farther than -- and in fact, is at odds with -- the Nation, Salinger and New Era cases.

Second, not a word in the detailed and prolonged consideration by Congress of the Berne Convention even relates to this topic. It would, as Kenneth M. Vittor's testimony to you for the Magazine Publishers of America points out, "be surprising, indeed, if United States adherence to the Berne Convention resulted -- without any debate regarding this important issue -- in [such an] elimination or restriction of magazine publishers' and journalists' rights . . . ."[46]

Third, the language about "lawful availability" makes no mention of publication. "Published works" are defined in the Berne Convention as "works published with the consent of their authors."[47] Moreover, the legislative history of the

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[46] Statement of Kenneth M. Vittor 19-20.

[47] Berne Convention, art. 3(3) (emphasis added).

"lawful availability" phrase makes clear that it relates to "every means by which the work is lawfully made accessible to the public."[48] Those opposed to this amendment would have you believe that notions of consent and authorial intent and affirmative dissemination -- notions bound up in the concept of publication -- are allowed to sneak in through the back door and restrict Berne's fair use analysis. That is not the case.

Finally, it is unpersuasive to maintain that this amendment is improper because "our Berne membership underlies . . . our continued exploration of legislation affording greater protections to creators."[49] To the extent this suggests that it would be inconsistent with our Berne Convention obligations ever to limit to even the slightest degree the rights of those who claim infringement, it is simply insupportable. When the United States implemented the Berne Convention, for example, it explicitly did not incorporate the so-called "moral rights" doctrine into our law.[50] The proper way to confer rights on artists is through carefully crafted legislation, not by an interpretation of the Berne Convention which reads it as a one-way ratchet barring any Congressional amendment to our copyright law on the ground that the revision might adversely affect creators. Artists' interests after this amendment will be fully protected by an equitable analysis, just as they are protected by the Berne Convention's equitable analysis.

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[48] Records of the Intellectual Property Conference of Stockholm, June 11 - July 14, 1967, Vol. I, 107 (Doc. S/1) (emphasis added); see also S. Ricketson, § 7.22, at 339, § 9.22, at 491.

[49] Ginsburg Letter 4.

[50] See S. Rep. No. 352, 100th Cong., 2d Sess. 10, reprinted in 1988 U.S. Code Cong. & Admin. News 3706, 3715. See also Statement of Kenneth M. Vittor 17-19.

The Berne Convention applies fair use analysis without any threshold reference to the publication status of a work. Our copyright law makes such a threshold reference. This amendment would render our law more not less compatible with the Berne Convention.

Senator SIMON. Ms. Ringer.

STATEMENT OF BARBARA RINGER

Ms. RINGER. Thank you, Mr. Chairman. I am Barbara Ringer, former Register of Copyrights in the Library of Congress. I am now finishing a bicentennial history of the U.S. Copyright Law—so, in a way, I am a historian at this point in my career. I am writing the history at the instance of Ralph Oman and under the auspices of the Copyright Office.

The issue we are discussing here is a vitally important one, Mr. Chairman, and I appreciate the opportunity to testify on it. I am opposed to the enactment of Senate bill 2370 and House Resolution 4263 in their present form. The language of the bills is very broad and very cryptic. On its face it appears simply to equate unpublished with published works for fair use purposes.

I believe enactment of this language would have mischievous effects. I think it would make the present confused situation worse and, ultimately, would have serious consequences far beyond its intended reach. Everything we have heard talked about today involves what was described as the middle ground between daily journalism and term papers, the sort of research and publication of unpublished materials that were never intended by their authors for publication as belles lettres, music, drama, choreography, motion pictures, photographs, the whole range of copyrighted material.

Everything we have been talking about today falls within a narrow area. What you are doing in the bill goes way, way beyond that.

At the same time, having said this, I agree that scholars, historians and biographers need ground rules about quoting from unpublished material. In particular, they need assurance that they can quote something, that there is no absolute per se rule under which any quoting from unpublished material would, in all circumstances, automatically be regarded as infringement rather than fair use.

Let me emphasize that the right we are talking about here, the right of first publication, is the most fundamental and important of all the authors' rights. All other rights stem from that, and anything you do here is going to erode that right.

Now, I think you are going to do it. I realize I am swimming against a very strong tide here. But I think you should think very closely about what you are doing. The foundation stone on which Anglo-American copyright jurisprudence rests is found in three court decisions: *Miller* v. *Taylor* of 1767, *Donaldson* v. *Beckett* of 1774, and *Wheaton* v. *Peters* in the United States of 1834. I go into these precedents a little bit in my statement, Mr. Chairman.

All three cases confirmed the absolute common-law right of the author to control first publication of their works. In the first of those cases Justice Yates made a statement which I would like to read to you, even if it is going to cut into my time a bit because I think it expresses what the law has been.

> The manuscript is, in every sense, the author's peculiar property and no man can take it from him, or make any use of it which he has not authorized, without being guilty of a violation of his property.

This is property he is talking about.

> And as every author or proprietor of a manuscript has a right to determine whether he will publish it or not, he has the right to the first publication and whoever deprives him of that priority is guilty of a manifest wrong and the court has a right to stop it.

This is bedrock copyright jurisprudence, and it has never, really, been questioned until now. When Congress revolutionized the U.S. copyright system in 1976, it subsumed common-law copyright in statutory copyright. But there was no suggestion, whatever, that the author's fundamental right of first publication was being weakened. Quite the contrary.

The basic principle in section 107 was that there was to be no change in the fair use doctrine as it had emerged. It was left entirely to the courts to apply on a case-by-case basis. The courts have done exactly what Congress told them to do.

You must realize that, if you enact these bills, you will be violating this basic principle underlying section 107. You will be changing the existing doctrine. There is no question about that in my mind.

As I view it the issue here is not privacy versus freedom of speech. It is really about authors' property rights versus technology.

Let me make this point. Copying devices and information systems and this whole range of storage and retrieval gadgets have transformed the nature of scholarly research. Finding and reproducing material has become so easy that scholars and librarians tend to forget what they are copying. The pattern is all too familiar to us in the copyright field in the second half of this century.

Infringing practices based on pervasive and convenient technology are allowed to grow unchecked and, when finally questioned in court, the users are shocked and cry, "Freedom of speech."

Maybe what they want to do is OK. I have no problem with any of the horrible examples that have been raised. I think they are all fair use. But what you are doing is going much further. You are opening the door to something else here. If you are talking freedom of speech, you have got to think about whose speech you are talking about.

These authors don't want freedom of speech for themselves. They want freedom to copy someone else's speech. Now, I grant you, they can do this in a great many of these cases, if not all of the ones that have been cited as examples. But it is the author's, not the user's, speech we are talking about. And freedom of speech includes freedom not to speak.

The authors who are supporting this bill are doing so as users, not authors. Other authors, if they came to realize what damage this bill could do to their birthright, their right of first publication, may feel differently. Similarly, librarians who are supporting this legislation because it would be convenient for them—they want to serve their patrons—could find that this could have a chilling effect on the donation of manuscript material to their libraries and could lead to massive destruction of manuscript collections. I think it would.

I think a good case can be made for leaving all this alone. But there has certainly been a strong reaction, as we have heard today, to these recent decisions, whether rightly or wrongly. Because of this, there does seem to be a climate of self-censorship and overcautiousness on the part of publishers and, particularly, their lawyers.

I realize you may feel compelled to do something about this. But to use John Shulman's old cliche, "Don't throw the baby out with the bathwater." Simply equating unpublished and unpublished works for fair use purposes, as these bills do, would hand defendants in fair use cases an argument where it has no earthly justification.

I can see this as sure as I am sitting here. If defendants' lawyers see this language, they will immediately use these arguments in cases where they should not apply, where there is no public purpose served.

Senator **SIMON**. If you could conclude.

Ms. **RINGER**. I'm nearly finished. As I see it, all the proponents are seeking here is the right to make limited quotations from unpublished material—in Judge Newman's words, in order accurately and fairly to report factual content. I think they have that right now, and I would have no objection to a carefully worded amendment of section 407 saying so.

I do think the present bill, in its present form, is a violation of the Berne Convention. I will say that flatly. I think that it is a violation of section 10(1). But I think a limited amendment, doing what the proponents want, would pass muster under section 9(2). I would support legislation of that sort.

In my statement, I add a paragraph suggesting that you adopt some kind of formalized arrangement such as we had under the 1976 act, allowing the parties to get together and try to thrash this out, Mr. Chairman. I would urge that you do this. It cries out for it.

Thank you.

Senator **SIMON**. We thank you.

[The prepared statement of Ms. Ringer follows:]

SUMMARY OF STATEMENT OF BARBARA RINGER ON S. 2370 AND H.R. 4263 BEFORE THE SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS OF THE SENATE COMMITTEE ON THE JUDICIARY AND THE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE ADMINISTRATION OF JUSTICE OF THE HOUSE COMMITTEE ON THE JUDICIARY

101ST CONGRESS, 2D SESSION, JULY 11, 1990

I am opposed to enactment of S. 2370 and H.R, 4263 in their present form because I believe that their overly broad language would further complicate an already confused situation and would have serious unforeseen consequences. At the same time, I recognize the need for scholars and their publishers to have fair use ground rules concerning what they can and cannot copy from undisseminated or semi-disseminated manuscript material.

There are historical reasons why unpublished works cannot simply be treated the same as published works with respect to fair use. Throughout its history American copyright law has protected the right of authors to the first publication of their works under common law, and the 1976 statute made no change in this fundamental principle or in the related judicial authority that sharply limited the scope of fair use in unpublished works. The recent court decisions which have created such a furore are in line with existing authority.

It is arguable that any legislation on this subject is premature. However, if legislation is considered imperative, it should be limited to cases where, in Judge Newman's words, there is use of an unpublished work by "a subsequent author . . . in order accurately and fairly to report factual content." It should be possible to tailor a carefully-worded legislative provision that would meet the concerns of the bill's proponents and at the same time preserve the basic principle of the right of first publication in unpublished works. If properly limited a measure of this sort could avoid problems of retroactivity, Berne compliance, and international copyright relations presented by the broad language of the current bills.

A problem of the subtlety, complexity, and importance of fair use in unpublished works cries out for extensive discussion among representatives of the many interests affected, to be supported by the experts who have already contributed an astonishingly rich literature on the subject. I urge that your committees find a way to promote a structured exchange of ideas aimed at achieving more satisfactory solutions than those suggested so far.

STATEMENT OF BARBARA RINGER
ON
S. 2370 AND H.R. 4263
BEFORE THE SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS OF THE SENATE COMMITTEE ON THE JUDICIARY
AND
THE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE ADMINISTRATION OF JUSTICE OF THE HOUSE COMMITTEE ON THE JUDICIARY

101ST CONGRESS, 2D SESSION

JULY 11, 1990

Thank you, Mr. Chairman. I am Barbara Ringer, former Register of Copyrights. I am now finishing a history of the United States copyright law, which I am writing under the auspices of the Copyright Office. I very much appreciate the opportunity to testify on this vitally important issue.

I should state at the outset that I am opposed to the enactment of S. 2370 and H.R. 4263 in their present form. I believe that the bills' very broad language would exacerbate the present unsatisfactory situation, and would have serious effects far beyond their intended reach. At the same time, I fully recognize that the question of fair use in unpublished works has become very confused, and that something needs to be done to address the legitimate concerns of scholars and their publishers. They have a need to know the ground rules for quoting without permission from manuscripts and other undisseminated or semi-disseminated material. And, in particular, they need assurance that there is no such thing as a "per se" rule under which quoting from unpublished material would never, under any circumstances, be permitted under the doctrine of fair use.

Let me start by explaining why I think your language, which seems to equate published and unpublished works for all fair use purposes, is too broad, and could have mischievous effects.

There are fundamental historical reasons why unpublished works cannot simply be treated the same as published works with respect to fair use. The legal concept of copyright as a form of property emerged during the Seventeenth Century, at a time when publication -- distribution in copies -- constituted the only way an author's work could reach the public, and at a time when all publishing was controlled by the state or by state-granted monopolies. Even though authors were prohibited from publishing their own works themselves, and were forced to transfer their rights to publishers in exchange for whatever they could get, it became crystal clear that authors had an absolute right of first publication: up to the time their works were published, they had a natural or common-law property in their works. No publisher could legitimately claim exclusive rights in a work unless he had first acquired the author's rights. Common law copyright, also known as the right of first publication, was considered to be unlimited in scope and duration.

In 1710 Parliament enacted the famous Statute of Anne, which applied only to published works and which granted statutory protection for limited terms. When, around the middle of the Eighteeth Century, those terms started running out, the London publishers mounted a major judicial campaign. Their argument was that, even though their statutory copyrights had expired, they still retained the perpetual natural or common-law rights they had acquired from authors.

This precipitated an enormous public controversy, known in English history as the Battle of the Booksellers, which culminated in two seminal judicial decisions, Millar v. Taylor in 1769 and Donaldson v. Becket in 1774. Stated very broadly, the same three questions were raised in both of these cases: first, whether authors had a basic property right in their unpublished writings; second, whether this right survived publication of the work; and third, whether a statute granting exclusive rights in published works for limited time (i.e., the Statute of Anne) cut off perpetual common law rights. On the first question, which is the one that concerns us here, both decisions confirmed and reinforced the fundamental common law rights of authors in unpublished works. In the Millar case Judge Mansfield said:

> From what source, then, is the common law drawn, which is admitted to be so clear, in respect of the copy [i.e., copyright] before publication?
>
> From this argument -- because it is just, that an author should reap the pecuniary profits of his own ingenuity and labour. It is just, that another should not use his name, without his consent. It is fit that he should judge when to publish, or whether he ever will publish. It is fit he should not only choose the time, but the manner of publication; how many, what volume, what print. It is fit, he should choose to whose care he will trust the accuracy and correctness of the impression; in whose honesty he will confide, not to foist in additions: with other reasonings to the same effect.

In the same case Justice Yates stated:

> . . . the manuscript is, in every sense, [the author's] peculiar property, and no man can take it from him, or make any use of it which he has not authorised, without being guilty of a violation of his property; and as every author or proprietor of a manuscript has a right to determine whether he will publish it or not, he has a right to the first publication: and whoever deprives him of that priority is guilty of a manifest wrong, and the Court has a right to stop it.

In the *Donaldson* case only one of the eleven Law Lords who offered opinions to the House of Lords disagreed with this proposition.

Under the *Donaldson* decision the answer to the second question -- the effect of publication (in the absence of a statute) on the author's common law right remained -- and still remains -- uncertain, but on the third point the decision made clear that the availability of statutory copyright cut off the perpetual common law rights in published works. In the United States the First Congress enacted a copyright statute that was a close copy of the Statute of Anne, and in 1834 the Supreme Court, in *Wheaton v. Peters*, adopted the *Donaldson* decision, including its recognition of perpetual common law rights in unpublished works. United States copyright statutes up to 1978 expressly recognized authors' common law rights in unpublished works, and the case law was fairly consistent in holding that, under common law, fair use had very limited application to unpublished works. The assumption was that, as long as a work had not been disseminated to the public under the authority of the author or the author's successors, the owner had an absolute right of first publication.

At least in its origins, this was not a right of privacy. It was a right of property, derived from authors' historic rights to control the first dissemination of their works.

In 1976 Congress revolutionized the U.S. copyright system, bringing all unpublished works under the statute and, with some exceptions, doing away with all common law rights in copyrightable subject matter. Many people are unaware of the struggles that led up to this breakthrough, and there are still copyright scholars who question whether substituting statutory copyright, with its limitations in scope and duration, for the unlimited, perpetual common law right of first publication was fair or even constitutional.

In trying to assure both fairness and constitutionality, the drafters sought to balance what the owners of common law copyright were getting under the statute against what they were giving up. Among other things, the statutory copyright owners of unpublished works were assured a fairly long term, and they received an arsenal of effective remedies under federal law. Even so, the 1976 Act has been severely criticized for depriving common law copyright owners of absolute and perpetual rights in their unpublished works.

Throughout its painful history the development of section 107, the fair use provision, was so preoccupied with classroom uses of text material, particularly photocopying, that the old traditional examples of fair use and their relation to unpublished works were hardly discussed at all. However, there was one fundamental premise underlying the 1976 Act's fair use provision, and it was iterated and reiterated throughout the endless discussions on the section: that fair use was and would continue to be exclusively a product of judicial decision. The language of section 107 was not intended to tell the courts what to do, but to give them some guidance as a starting point in reaching their own decisions. As stated in the House Report:

> Beyond a very broad statutory explanation of what fair use is and some of the criteria applicable to it, the courts must be free to adapt the doctrine to particular situations on a case-by-case basis. Section 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way.

This provided some assurance that the legal norms governing the fair use of unpublished works would still be governed by existing case law, and that the right to control first publication -- the most basic of the unpublished author's common law rights -- would not be destroyed by a statutory fair use provision equating unpublished and published works for all purposes.

It is vital to realize that "fair use" is always use, and that use of more than minimal amounts of an unpublished work will amount to the first publication of that work -- the fundamental author's right that courts have recognized from the beginning. Had there been any suggestion that, via section 107, the 1976 statute was legislatively destroying that right of first publication, there certainly would have been serious questions as to the statute's fairness to authors of unpublished works, and possibly a constitutional attack on due process grounds. The legislative history of the 1976 Act contained no such suggestion; on the contrary, the Senate Report expressly declared that:

> . . . the applicability of the fair use doctrine to unpublished works is narrowly limited since, although the work is unavailable, this is the result of a deliberate choice on the part of the copyright owner. Under ordinary circumstances the copyright owner's "right of first publication" would outweigh any needs of reproduction for classroom purposes.

There is no equivalent statement in the House Report, but in his splendid treatise on fair use Bill Patry has correctly shown that, in effect, it is incorporated by reference.

Two other points might be made with respect to the 1976 Act. Speaking of the definition of "publication" the House Report, on page 1387, says:

> Under the definition in section 101, a work is "published" if one or more copies or phonorecords embodying it are distributed to the public -- that is, generally to persons under no explicit or implicit restrictions with respect to disclosure of its contents -- without regard to the manner in which the copies or phonorecords changed hands.

At the very least this suggests that the drafters intended for the existence of such "explicit or implicit restrictions" to have legal consequences. In addition, your committees should consider the possible inconsistency between your proposed amendment of section 107 and the provisions of section 108(b), under which libraries are permitted to make archival reproductions of unpublished works in their collections, but only if certain extremely limited -- and, in my opinion, unrealistic -- conditions are met.

I have read and reread the decisions and articles that have produced this heated controversy, and it does seem to me that the alleged crisis in scholarly writing and publishing has been blown up out of proportion. These decisions are solidly grounded on precedent, and there now seems to be considerable agreement among the majority and minority judges on at least two points: that the fair use doctrine can apply to copying of unpublished works (i.e., there is no per se rule), and that there is nothing in the statute to require a court to issue an injunction in these or any other cases.

On the face of it this should lead to the conclusion that the consideration of fair use cases, and the evolution of the law with respect to fair use in unpublished works, should continue to be left entirely to the courts -- that Congress should adhere to the principle negating any intention to change or enlarge the fair use concept. It is certainly arguable that the other circuits and the Supreme Court should be given an opportunity to consider this question before adopting any legislation. At the same time one cannot help but be impresed by the continuing and fervent overreaction to the press accounts of the decisions, and by concerns that the controversy is leading to self-censorship and over-timidity among publishers of scholarly books and their lawyers.

I have asked myself what accounts for such an extraordinary hue and cry now, considering that the decisions are consistent with a long, if somewhat thin, line of authority. No knowledgable copyright lawyer could have been too surprised that the courts have held as they did. But I think the factors at work here may be technological rather than legal: to wit, our old friends the photocopying machine and the computer.

In the old days of not too long ago, a scholar had to go where the manuscripts were and, if permitted to do so, copy them out by hand. As a practical matter this kept the problem down to minimal proportions. Today, libraries and archives have the capacity of transmitting copies or images throughout the world, scholars can obtain hard copies at the press of a button, and the pressures to do things the easy way are overwhelming. It seems obvious that, as in so many other areas our copyright discipline, infringing practices based on pervasive and convenient technology have simply been allowed to grow unchecked, and it comes as a shock to users to be told that they are actually infringing copyrights. In one sense an argument could be made that copyright owners are victims rather than villains in all this, and that instead of condoning infringement Congress should reinforce the rights of copyright owners of unpublished works.

As Judge Newman has pointed out, the existing controversy really involves a narrow field of activities: quoting from expressions of factual material, use of quotations as factual material to be commented on or criticized, and reproduction of material for the purpose of conveying factual information. As it stands, however, the language of the bills is so broad that it could well be construed to apply to the entire range of creative endeavor as it exists in unpublished form: belles-lettres, music, drama and choreography, motion pictures and all kinds of audio-visual works, art, architecture, photographs, computer works, and so on. Regardless of what the legislative history might say, defendants would be encouraged to press a fair use defence in cases where the author's right of first publication should be paramount. Creative works often go through extensive revisions, and authors have every reason to withhold early versions from publication. It is also important to realize that "fair use," as it has evolved, can include multiple copying of whole works and mass transmission of works by broadcast and cable.

If, as Judge Newman's comment suggests, the issue involved in this controversy is limited to some use of an unpublished work -- whether the use is "minimal" or perhaps more than "minimal" -- by "a subsequent author . . . in order accurately and fairly to report factual content," the legislation should be limited to that area of concern. Expanding the scope of the revision, as the bills are likely to do, would at best lead to even greater confusion and uncertainty, and at worst to genuine injustice and erosion of a fundamental author's right.

In my opinion it would be possible to tailor a carefully-worded legislative provision that would meet the concerns of the bill's proponents and at the same time preserve the basic principle of the right of first publication in unpublished works. A limited provision of this sort might also meet some additional concerns I have with respect to the bills:

Retroactivity: Assuming the decisions that have produced the controversy represent the law, at least in the Second Circuit, and that the bills are intended to cut back copyright owners' rights with respect to all types of uses of all types of unpublished works, questions of legislative taking without due process will inevitably arise.

Berne Convention: A broad, unlimited extension of "fair use" to all uses of unpublished works would probably violate Article 10(1) of Berne, while a narrow provision might well represent one of the "certain special cases" in which unauthorized reproductions are allowed under Article 9(2).

International Relations: Whether or not, as a technical matter, a broad fair use provision such as that in the bills can be justified as complying with the convention, many of our fellow members in the Berne Union and other trading partners will view it as a violation. This would hurt us across the board and, more important, it would impair ongoing U.S. initiatives with respect to the GATT and developing countries.

In conclusion, let me throw out a specific proposal. I believe that this whole subject cries out for further in-depth study and, in particular, face-to-face interchanges among representatives of all of the many interests involved. The other seemingly intractable fair use issues of the 1960's and 1970's -- particularly educational photocopying and interlibrary loans -- could not have been solved without exhaustive consideration of the various points of view and a sifting out of specific proposals until something like consensus was achieved.

I am not at all sure that this issue is ripe for a legislative solution, but I am also aware of the arguments against temporizing. Whatever action your committees decide to take on S. 2370 and H.R. 4263, I urge that you provide a framework for further study and analysis of this issue in light of its impact of the American copyright system as a whole. Many of the people in this room have made extraordinarily searching and brilliant analyses of the problem, and a means should be found for a structured exchange of ideas and suggestions aimed at more satisfactory solutions than those suggested so far.

STATEMENT OF JONATHAN W. LUBELL

Senator SIMON. I remember an author named Samuel Lubell. Is he related to you?

Mr. LUBELL. Yes, distantly.

Mr. Chairman, members of the committee, first, I would like to thank you for inviting me here and I hope that what I have to say might help in your considerations of this matter. It seems, first of all, that we have an interesting whiplash situation here. On the one hand, there is the view expressed by some people that the decisions from the second circuit have created a per se rule. Notwithstanding what I believe to be the careful and precise efforts of the jurists in the second circuit to make it clear that they were not creating a per se rule which would preclude fair use application to unpublished works.

On the other hand, the view that Ms. Ringer and myself and others take of the legislation is that it would, in effect, eliminate any special consideration of the unpublished status of the work, that, in effect, it would equate for fair use application a published and unpublished work. It would create an unreality in the sense that it denies the reality that the work is unpublished.

In denying that reality, it also denies what is truly, as Ms. Ringer points out, the critical property right that a copyright owner has; that is, the right of first publication.

I would like, however, to divert from what I was going to say to address the first amendment issue. Congressman Berman put forth a hypothetical previously concerning a memorandum, a private memorandum, that was purloined or picked up, however you want to describe it, by a newspaper. The first amendment issues on that hypothetical, I think, underline some of the concerns, and also eliminate other of the concerns.

First, we have to go back to the fact that the copyright clause is in the United States Constitution. The first amendment, of course, is the first provision in the Bill of Rights. The founders of our country recognized an accommodation between the property right contained in the copyright laws and the first amendment. That accommodation is that the property right is in the expression, the artistic creation, if you will, not in the facts or the ideas as such.

So in Congressman Berman's hypothetical, there is no copyright issue if the writer, not the author of the memorandum but the writer who got a hold of it, stated in a publication what the ideas in that memorandum were, what the facts stated in that memorandum were, but avoided using the particular expressions that are contained in that memorandum.

Now, with all due respect, particular expressions may not be of that great importance to politicians. It is of that great importance to writers. It is their unique creation. It is the property right that the copyright laws recognize.

So when we talk about first amendment rights in the copyright laws, we are not talking about the inability of a writer to take facts. Taylor Branch could have taken without any copyright considerations the facts that he found in these writings. He could have taken without any first amendment considerations the ideas that may have come forth in a SNCC meeting.

The minutes of a SNCC meeting are important for what was considered, what ideas were discussed, and how they decided those ideas. Those can be reported upon without infringing on the expressive document, itself, the creation. So I might suggest to members of the Joint Committee that, in large respect, the first amendment considerations are a creation which do not, actually, apply in most cases.

Now, in *Harper and Row,* Justice O'Connor did recognize that in some limited areas the expression, itself, is necessary to get across the fact. So she refers to President Ford's use of the term "smoking gun," because you needed the expression, itself, to get the fact of how President Ford regarded the tapes regarding President Nixon.

However, in most cases, I would suggest, and this is what the courts are talking about in the second circuit, in most cases, the expressive quality, the artistic creation, is not required to be lifted, pirated if I may, because the copyright ownership rights are in the author of that expressive statement—pirated so as to get the facts or ideas across.

I think it is important in the consideration of the proposed legislation to evaluate and look once again at what first amendment concerns are really involved in this issue and what are not because I think what has happened is that the first amendment, which we are all, obviously, deeply concerned about, may be used as a wedge to undermine property rights which, after all, are the way we stimulate creative activity in this country, property rights which were recognized even before the United States Constitution was adopted.

Thank you.

[The prepared statement of Mr. Lubell follows:]

STATEMENT OF JONATHAN W. LUBELL IN OPPOSITION TO H.R. 4263 AND S.2370 TO AMEND 17 U.S.C. 107 REGARDING THE FAIR USE OF UNPUBLISHED COPYRIGHTED WORKS

Jonathan W. Lubell, Esq.
Morrison Cohen Singer & Weinstein
750 Lexington Avenue
New York, New York 10022

I would like to thank the Committee for inviting me to this hearing. I hope my comments will help in your consideration of the bill.

I submit this statement in opposition to H.R. 4263 and S.2370 to amend Section 107 of Title 17 of the United States Code. The announced intent of the proposed bills is "to clarify that such section [relating to fair use] applies to both published and unpublished copyrighted works." *See*, H.R. 4263, 101st Cong., 2d Sess. (1990) and S. 2370, 101st Cong., 2d Sess. (1990). Under existing case law, the issue of whether or not a work has previously been published is taken into account by judges who are called upon to consider and apply each of the four non-exclusive fair use factors set forth in Section 107. *See, e.g.*, *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985); *Salinger v. Random House, Inc.*, 650 F.Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987), and *New Era Publications International v. Henry Holt & Co.*, 695 F.Supp. 1493 (S.D.N.Y. 1988), *aff'd*, 873 F.2d 576 (2d Cir. 1987). As a result, unpublished works, because of their nature, have generally been afforded greater copyright protection than published works. The proposed amendment, if enacted, will undermine the particular, *but not absolute* protection afforded unpublished works. The proposed amendment is aimed at ignoring the reality that the work is unpublished and the ramifications flowing from that reality.

Policy reasons strongly support the recognition of the particular aspects of unpublished works when applying the four fair use factors.

1. Copyright laws seek to protect an author's property and privacy interests in his or her own creation, and simultaneously, promote the wide dissemination and use of the created work. These goals are sometimes in conflict and, as a result, judges are called upon to balance these competing interests on a case-by-case basis. The proposed bills, if enacted, will disturb the sensitive balancing of these interests and as a result, all three goals will be inhibited. Not only will authors' property and privacy interests in their works be undercut, but, in addition, rather than risk unauthorized publication, writers may choose to take the preemptive strike of destroying or at least censoring some of their writings. Unpublished works have traditionally been afforded greater protection than published works for the simple reason that they merit greater protection.

The Copyright Clause of the Constitution empowers Congress to protect authors' "*exclusive* right to their ... writings." U.S. Const. Art. I, §8, cl. 8 (emphasis added). When the Framers of the Constitution met in Philadelphia, the committee proceedings which considered the copyright clause were conducted in secret. 1 M. Nimmer, *Nimmer on Copyright* §1.01[A], at 1-3(1990). Nonetheless, it is known that the final form of the clause was adopted unanimously, without debate. Madison, *Debates in the Federal Convention of 1787*, at 512-13 (Hunt and Scott ed. 1920). Thus, even though the fair use doctrine had been developed under the laws of England almost fifty years before our Constitutional Convention ever took place,[1] the Framers never seriously considered compromising an author's exclusive right to his or her own writings.

2. It is indisputable that enforcement of the copyright laws is in the public interest. In *Mazer v. Stein*, 347 U.S. 201, 219 (1954), the Supreme Court stated the primary purpose of the Copyright Clause as follows:

> The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'

The copyright clause is premised on the notion that the public benefits from the creative activities of authors and that "the copyright monopoly is a necessary condition to the full realization of such creative activities." *Nimmer on Copyright*, §1.03[A] at 1-32. Copyright should properly be regarded as based upon the "natural right" concept fundamental to the theory of private property. The Framers regarded the private property system *per se* as being in the public interest. Thus, in affording property status to copyright, they "merely extended a recognition of this public interest to a new sector." (Id.).

3. All courts and commentators who have addressed the issue have acknowledged that creative labor ought to be rewarded. For example, in *Harper & Row*, Justice O'Connor emphasized that "[t]he rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors." 471 U.S. at 546. Similarly, in *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975), Justice Stewart emphasized the importance of "secur[ing] a fair return for an 'author's' creative labor." In opting not to publish their creative works, authors have chosen to temporarily forego a reward for their creative endeavors. Thus, in order to preserve their potential for monetary reward, unpublished words are entitled to greater protection than published works.

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[1] *See*, *Gyles v. Wilcox*, 26 Eng. Rep. 489 (Wo. 130) (1740) (holding that an abridgment was fair use). *See generally*, W. Patry, *The Fair Use Privilege in Copyright Law* 6-17 (1985) (tracing early development of fair use doctrine at common law in England).

4. Copyright laws are also intended to protect the personal rights of authors. In Harper & Row, Justice O'Connor explained that the law must take into account not only the author's right to speak, but also, the copyright owner's "right to refrain from speaking" 471 U.S. at 559 citing Wooley v. Maynard, 430 U.S. 705, 714 (1977). In Harper & Row, Justice O'Connor also articulated the Court's concern to protect an author's "personal interest in creative control." 471 U.S. at 155. In rejecting The Nation's defense of its actions, the Court emphasized that the article in question "was hastily patched together and contained a number of inaccuracies.'" 471 U.S. at 564. Thus, in Harper & Row, the Court specifically recognized authors' rights to privacy and artistic integrity. The proposed amendment of Section 107, which is intended to eliminate any consideration of the unpublished status of the work in evaluating the application of the four factors, undercuts both of these personal rights.

5. The proposed amendment would invite writers to destroy some of their most personal writings or never to commit their personal thoughts to writing if there is no assurance of additional protection against the initial publication of these works. For writers like J.D. Salinger, Richard Wright and L. Ron Hubbard, the transformation of private letters, diaries and other personal writings into unauthorized publications is a profound blow to their creativity and privacy, a blow of a different quality than the infringement of their already published writings.

6. The failure to recognize the particular nature of unpublished works may have some further unfortunate ramifications. In the real world, the unpublished work is, indeed, the "nugget," "the big item," that an infringer is most interested in. Because of this greater market potential and because as unpublished work, the piece is less accessible, the infringer may have to resort to improper means to obtain the work. With Salinger's writings there were excesses in the use of library archives, with Hubbard's diaries there was direct conversion of the writings. With others there may be rifling through estate papers, old warehouses and such. The point is, that without the recognition of the special nature of unpublished works, it becomes much more possible to infringe these works and the hunt for them, without regard to legal and privacy rights, will have been encouraged.

7. The proponents of H.R. 4263 and S.2370 have allowed themselves to be persuaded that the Copyright Laws, as they now exist, conflict with the First Amendment. This fundamental misconception which has been perpetuated by the media defense bar, is a red herring. Copyright in a work protects the author's particular manner of expression, it does not protect underlying facts or ideas. This distinction between idea and expression represents the constitutional accommodation of copyright law with the First Amendment so the artist's property and privacy rights in his creative product do not restrict the free flow of information. Harper & Row, 471 U.S. at 582 ("This limitation on copyright also ensures consonance with our most important First Amendment values.") (Brennan, J. dissenting).

8. Proponents of the proposed bills also argue that any prohibition on the quotation of unpublished primary source materials profoundly and adversely inhibits historians from publishing biographical studies. Given the distinction between creative expression,

which is protected, and the facts or ideas presented in the writing, which are not protected, this argument is fundamentally without basis. The fact that the writer states he took a trip to a foreign country or that he expressed love for a particular person are facts not protected by copyright - but the writer's description of that trip or the nature of his expression of love are artistic expressions protected by copyright. This line between the protected and unprotected is entirely compatible with the First Amendment. The Framers knew that copyright protection and the First Amendment were consistent with each other. That basic premise still applies today.

9. Contrary to the assertion made by some members of the media defense bar, the Second Circuit has not established a per se rule prohibiting the publication of all unpublished material. In his concurring opinion to the Second Circuit's en banc decision in New Era Publications International ApS v. Henry Holt Co., 884 F.2d 659 (2d Cir. 1989), which was joined by Judges Meskill, Pierce and Altimeri, Judge Minor explained that

> *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985), *reversing* 723 F.2d 195 (2d Cir.1983), teaches that unpublished, copyrighted material very rarely will be the subject of fair use. It recognizes that the right not to publish is a most important one and that "[t]he right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, and in what form first to publish a work." Id. at 564, 105 S.Ct.at 2232. (emphasis added).

In noting that unpublished works will "rarely" be the subject of fair use, the Circuit has acknowledged that in a limited number of instances, unpublished work will be the subject of fair use. Indeed, in their dissenting opinion to the New Era en banc decision, the panel minority expresly noted that they "are confident [the panel opinion] has not committed the Circuit to the proposition that the copying of some small amounts of unpublished expression to report facts accurately and fairly can never be fair use." 884 F.2d at 662-63. The dissenting judges then go on to accurately explain that "the distinction between copying expression to enliven the copier's prose and doing so where necessary to report a fact accurately and fairly has never been rejected even as to unpublished writings in any holding of the Supreme Court or of this Court." 884 F.2d at 663. Furthermore, as noted by Judge Oakes "[t]hough the [Supreme] Court declined to permit the copying of unpublished expression simply because such expression could be deemed 'newsworthy,' 471 U.S. at 557, 105 S.Ct. at 2228, the Court recognized that some brief quotes might be 'necessary adequately to convey the facts.' Id. at 563, 105 S.Ct. at 2232." 884 F.2d at 663.

In conclusion, perhaps the ultimate problem with the proposed vague amendment is its apparent intent to deny to federal judges consideration of an indisputable reality - that an unpublished work has a different meaning and impact than published works in regard to the creative process and the marketing of artistic works. Statutory disregard of reality will more likely result in some measure of havoc rather than the goals proposed by the United States Constitution both in its copyright clause and in the First Amendment.

Senator **Simon**. Mr. Lubell, you are not a writer, but you recognize the difference between a dull book and an interesting book.

Mr. **Lubell**. Oh, yes.

Senator **Simon**. When you say you can refer—and I think Tony Lukas used the Ron Hubbard illustration.

Mr. **Lubell**. Right.

Senator **Simon**. That unfortunate statement of Mr. Hubbard gives an insight that no indirect reference can possibly give. If you paraphrase, you end up with something that is very, very dull.

Mr. **Lubell**. I think, Senator Simon, that the issue is one that is peculiarly fitted for judges to decide when the expressive content is required to be stated so as to get the fact across. In J.D. Salinger's case, Judge Newman noted that the rewriter, or the second writer who took Salinger's unpublished works and was quoting from them, would have to be satisfied with a pedestrian statement rather than taking Salinger's creation.

It is unique, sure. The expression that Salinger has is unique. The expression in the sources that Taylor Branch was looking at are unique expressions. That is what artistic creation is. But those are property rights that the creator has. Unless you cannot get across the fact—not the question of how exciting the fact becomes, but if you cannot get the fact across without using the artistic expression as in "smoking gun," I would suggest that the first amendment is not involved because the fact is getting across.

It may be less exciting, but for historians, for we of the public who must be informed, we know the facts.

Mr. **Abrams**. Senator Simon, if I may, I don't think we do know the facts. All we know is that an author has told us. All we know that an historian has told us that this is why someone did something. All we know is that an author has reached a conclusion.

Without any ability to quote from documents such as this, we as readers, we as the public, can form no judgment for ourselves except whether to believe an author or not, whether a book seems sort of persuasive or not.

One of the major advantages in being able to use some modest amounts, at least, of quotations from works of this sort is that we, as readers, can make these judgments for ourselves. Absent that, absent some notion, some meaningful notion of fair use of unpublished works, we will not be able to do so and we will not be able to do so with respect to any of the sorts of work that Tony Lukas was talking about or Taylor Branch was talking about because if all they could do was simply to state facts, or even assert ideas, without any nuance, without any tone, without any proof that what they were saying was so, we would all be—they would lose because their books would be less good, but we, as readers, would lose the benefit, the real message, the real persuasiveness of the book.

Senator **Simon**. Yes. What they would say would lose credibility. If I may ask you, Ms. Ringer, taking your statement and using the illustration that was given by either Mr. Branch or Mr. Lukas of the person who said, "I wish I could give my son at his marriage a Negro, but I am going to give him a mule," that gives——

Ms. **Ringer**. Of course, that is fair use. I don't think we agree on the overall thrust of this legislation, but I can't conceive that any court would hold that it was not fair use to quote one sentence.

Senator SIMON. But shouldn't we leave the flexibility to the judges on that.

Ms. RINGER. As I said, I think that judges can be trusted. They were trusted in 1976, and I think that they have not done a bad job. I think that there has been a tremendous overreaction here.

Senator SIMON. Where do you draw the line between that letter that was written immediately after—let's just say it was written in 1867—and one that is written in 1967?

Ms. RINGER. I don't look on it that way. In fact, the statute of 1976 does put a terminal date on unpublished writings. Admittedly that date is in the future, but a lot of this stuff will go into the public domain one of these days.

I think it is a factor for the courts to consider as to how old the thing is and the nature of the material—whether it was written as belles lettres, or whether it was an occasional diary entry or that sort of thing.

I am in the position of a mass of unpublished material right now. I am writing a history of the copyright law, and there is a lot of unpublished material that I am having to sift through.

It is a dilemma for authors. There is no question about it. But it is one that they have had to face for as long as there has been scholarship. I'll put it this way. I think common sense should come into this somewhere along the line.

Senator SIMON. Congressman Kastenmeier?

Representative KASTENMEIER. Mr. Lubell, some of the complaints that authors have had, and they may be some of the complaints that Ms. Ringer just alluded to, have been about the chilling effect of the decisions. As someone who has represented the trustees of proprietors of this material, do you have any comment at all about the practice of prior editing and the limitations that the holders of unpublished works presume to place on writers? Do you defend those practices?

Mr. LUBELL. I have two comments. One is I think, as Congressman Berman and Ms. Ringer have both pointed out, there are chilling effects both on the writers who may be using unpublished works, but we also have to consider whether the writers of the unpublished works might be chilled. Here I am talking about whether a writer of an unpublished work will think maybe twice before giving his writings to Princeton University archives because, if there they are accessible to somebody who may use them and, under a fair use standard that applies to published works, there is a bit of a chill about putting those works into the archives.

We may never see those works unless somebody hires a second-story man to get it. So there is a chilling effect on the other side that I think we have to consider, as well. I might say, having represented plaintiffs whose unpublished works have been used just as Mr. Abrams describes a process that the attorneys for the defendants, or the publishers, go through, we go through a process where the first question that we ask is, is this merely taking a fact or an idea from an unpublished work and, is it a very close paraphrase, so that we try to recognize that we don't have grounds to, nor should we, I might suggest, complain where what is involved is the taking of a fact or an idea.

So the process works at both ends. Both defendant's counsel and plaintiff's counsel try to steer a course that gets them through the fair use doctrine as it applies to unpublished works. It is a difficult course, but, in many areas of the law, there are some complications in advising a client, and what we look to are the decisions of the court.

I might suggest that we do have decisions from the second circuit which, when read carefully, do guide us, at least they guide me. I might also suggest that we might wait for some more thinking and decisions from the judges of the other circuits.

Representative **Kastenmeier**. Mr. Abrams, I asked the authors this. I probably should have asked you this instead. What is different about the law today? Presumably, those authors who were writing 15 and 30 years ago, and were seeking access to unpublished works, found limitations in terms of unfair use then. Is the doctrine that much more narrow today than it was before 1976 or, let's say, 1955?

Historically, what has happened to cause this problem today?

Mr. **Abrams**. I think at least two things; one, I think the doctrine is narrower than it has been. Second, and I am more confident of this, the law is clearer and more rigid than it has ever been. There is an enormous clarity in almost a wooden fashion of the law today. One can say with some level of confidence, now—one would not have, I think some years ago—that almost any use of unpublished work will be deemed a violation of the copyright law because it will not be deemed fair use.

I don't think one could have said that as clearly some years ago, and if one could have said it clearly some years ago, one, at least, wouldn't have had cases of rather recent vintage stating it and restating it with enormous force and clarity.

One of the greatest problems, as I see it, is that the courts have been deprived of the flexibility that I believe that the fair use doctrine was meant to give them by importing into the law what I view, at least, as this rigid near per se rule against quotations from unpublished material.

Representative **Kastenmeier**. Ms. Ringer—and this is my last question, Mr. Chairman—I take it you agree with the majority in the second circuit opinions and with Judge Miner, more or less.

Ms. **Ringer**. Not really.

Representative **Kastenmeier**. Not really?

Ms. **Ringer**. But I think that they were the ones to decide, so I am not going to second-guess them. They had the case in front of them. That's what you gave them. You gave them that job. It seems to me that they performed it very, very thoroughly and searchingly.

I probably would have differed with them. I'm not sure. I wouldn't want to say. I'm not on the bench.

Representative **Kastenmeier**. If they had ruled as the minority had found on this case, you would not have disagreed?

Ms. **Ringer**. No. I think I say in my statement that no knowledgeable copyright attorney really should have been surprised by the decision. But I don't think that they should have been surprised if the court had gone the other way.

Representative KASTENMEIER. Would you agree with Judge Miner's suggestions for changes in the law——

Ms. RINGER. I think they are constructive suggestions, but I wouldn't go that route. I am inclined to agree with Senator Simon that they might be too restrictive. I am not going to sit here and tell you how I think the bill ought to be amended, but I would like to make two points:

First, if you do amend section 107, you should make clear that it does not extend beyond the area we have been talking about. I just can't conceive of making this cover the whole body of copyright law, where first amendment considerations—or whatever you want to call them—do not apply. In my statement I quote Judge Newman as to what he envisioned as the scope of this issue. I would confine whatever you do here to that.

The second point is that I think you should make crystal clear, if you amend section 107, that for all works, not just this type of work, there is no per se rule. I think that probably is needed to be said in the statute, if you amend it. But I don't think you accomplish that by what you have done.

Representative KASTENMEIER. Of course you have heard Judge Leval say that he supports the bill and feels very comfortable, presumably, prospectively rendering judicial decisions based on that.

Ms. RINGER. I think he will have a lot more decisions to render if this bill is passed.

Representative KASTENMEIER. That remains to be seen. Thank you, Mr. Chairman.

Senator SIMON. Congressman Berman.

Representative BERMAN. Thank you very much, Mr. Chairman.

Mr. Abrams, you, essentially, subscribe to the view that these court decisions, essentially, have created a per se rule that, basically, you can't quote unpublished material.

Mr. ABRAMS. Yes.

Representative BERMAN. Doesn't this bill, notwithstanding some of the things that have been said already, create a per se rule that there is no distinction between your ability to quote from published material and unpublished material?

Mr. ABRAMS. I don't think so, Congressman Berman. I read the bill only to mean that fair use principles are to be applied in determining as to both published and unpublished works whether a use is fair.

Representative BERMAN. But the key here is the nature of the copyrighted work. That is the second——

Mr. ABRAMS. That is one of the keys, yes.

Representative BERMAN. Normally, you think, "Is it published or is it unpublished?" Wouldn't that be part of what you look at when you examine the nature of the work? And I am talking here with having—I never even took the course.

Mr. ABRAMS. I think, Congressman, that the place that the unpublished or published nature would probably kick in most is in factor four, which is the effect on the market; that is, as a matter of prediction, rather than saying what I am telling you the law ought to say——

Representative BERMAN. The effect on the market? As I understand it, that is the effect on the market in the context we are talking about, of the unpublished work, that plantation owner in Georgia who, I think, had a low level of expectation of market for his work, or maybe Mr. Hubbard in his comments.

Mr. **Abrams**. I must tell you, Congressman, that the recent decisions from the second circuit in both the *Salinger* and the *New Era* cases, at least, indicate that the courts are going very far, indeed, in finding a prospective market. Mr. Salinger, for example, in fact——

Representative **Berman**. That would be different.

Mr. **Abrams**. Had not the slightest intention, so far as I know, of selling his works. But the second circuit found, none the less, that he might have, might have changed his mind, might have wanted to sell his works.

In the *New Era* case, the court found a potential effect on the market for other Hubbard works because people might buy the allegedly infringing book rather than the other book.

All I am saying is that the character of a work being published or unpublished might well matter there, that if you have an unpublished work that is being quoted from, it would tend, more often than not, to interfere with the market, if there is a market, if there is really a potential market, for the work, itself.

I think what you say is quite right, in that in the slave example, no court would find that there was, really, a potential market that was interfered with. All I am saying is that the unpublished character would be relevant in determining the alleged impact on the market.

Would it still be relevant under factor two? I'm not sure. I would argue that factor two ought to take account of other matters than published/unpublished.

Representative **Berman**. I don't see how it could take that into account if you change the law this way because why else would you have said published or unpublished?

Mr. **Abrams**. I think the reason that you are saying it is to make clear that there can be fair use with respect to unpublished works, and that anything like what I referred to as the sort of near per se rule is not Congress' intent. That does not mean, of course, that every use of unpublished work is fair.

Representative **Berman**. But Ms. Ringer doesn't disagree with that. She said, "Let's clarify, clearly, that there is no per se rule in the copyright law as a result of these decisions."

Mr. **Abrams**. My view is that this legislation is a very reasonable and well-drafted way to clarify that and to make it clear that not only is there no per se rule, but that each of the four factors will be considered and then ruled upon by the judge in determining whether a particular use is fair or not.

I believe that even if that is done, unpublished works are, probably, more likely to be found to infringe "at the end of the day," quoting from them, than published works. I think that is the way it is likely going to play out in terms of enforcement.

But what I think is important is that the judges go through all the factors, analyze them, have all the scope of review that they can in enforcing them for unpublished as well as published work.

If I am right, for example, in saying that the way it really works out in practice, now, is that we really don't allow quotations from unpublished works effectively—if that is a correct statement of the way it really works——

Representative **Berman**. That would be a disaster.

Mr. **Abrams**. I think that that is a disaster, and I think you can deal with that rather simply.

Representative **Berman**. One question, Ms. Ringer, and then I am done. It does sound like, Ms. Ringer, you cite that section of the Constitution that Judge Leval quoted for the exact opposite purpose—you view it as the primacy of, in effect, the right of first publication of your own work and to control and exploit it. He cites it for the ability to disseminate knowledge and information.

Ms. **Ringer**. I have made a pretty thorough study of this, Mr. Berman. I believe that the Constitution was based on both premises. It is a bifurcated statement. It was intended to promote authorship and creativity, and at the same time, it was intended to reward people for their creative contributions.

But I would add that the Constitution originally didn't apply to this type of material. Except in certain areas the type of material we are talking about was not governed by the Constitution until 1978. It was under common-law protection, and it was a common-law property right. The line of cases that has brought us here is consistent in upholding that principle.

I think it may be time to breach the wall. I am not saying, "Don't do that," but I am saying to you, "Say what you mean." Don't leave this to conjecture in trying to sift through inclusive legislative history later on.

Representative **Berman**. Although you do say, "Let the courts decide how to deal, case-by-case, with the quotations from unpublished material." That sounds to me, especially in the context of what has happened, like publishers and people like these authors, are going to have a heck of a time figuring out what they can do and what they can't do.

Ms. **Ringer**. It depends on how you word the statute, Mr. Berman. If you pass the wording you have now, you are in big trouble, in my opinion.

I think you could leave it to the courts. But I think the tide is running toward legislation, and maybe it is justified.

There is strong sentiment for legislation, and I am not going to say I disagree with it. But if you are going to legislate, I think you should say what you mean, and not leave your intentions this vague. You know, there are an awful lot of pirates and leeches out there. They are going to seize on this language, if they can, in areas that have nothing to do with what we have been talking about today, and use it as arguments for defending their piracy.

Senator **Simon**. We thank all three of you for your testimony.

We also have some additional statements and letters that we will put in the record, submitted by Mr. Kenneth M. Vittor for the Magazine Publishers; the American Association of Law Libraries; the American Library Association and the Association of Research Libraries; Dr. Bruce Perry; the Electronic Industries Association; Mr. A.J. Valdespino; Mr. Irwin Karp; nine Educational Testing Organizations; and Prof. Jane C. Ginsburg.

[The above-mentioned statements follow:]

STATEMENT OF KENNETH M. VITTOR
ON BEHALF OF THE
MAGAZINE PUBLISHERS OF AMERICA
BEFORE THE SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
AND
THE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY,
AND THE ADMINISTRATION OF JUSTICE
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES
July 11, 1990

Mr. Chairmen and Members of the Subcommittees:

My name is Kenneth M. Vittor. I appear here today on behalf of the Magazine Publishers of America ("MPA"). I am Vice President and Associate General Counsel of McGraw-Hill, Inc., a member of MPA and the publisher of numerous magazines, including *Business Week*. I am the author of an article concerning the subject of this hearing entitled *"Fair Use" of Unpublished Materials: "Widow Censors", Copyright and the First Amendment* which was published in the Fall 1989 issue of the American Bar Association's *Communications Lawyer*.

As you know, MPA is the trade association representing the interests of approximately 200 firms which publish more than 1000 consumer-interest magazines annually. MPA's members publish magazines ranging from widely circulated publications (such as *Time*, *Newsweek* and *Reader's Digest*) to special interest magazines and journals of opinion (such as *Aviation Week and Space Technology*, *Golf*, *Consumer Reports* and the *New Republic*). Over the years, MPA has been recognized as the voice of the American magazine industry on numerous issues of public policy, including copyright.

The Salinger and New Era Decisions

MPA appears today before these Committees in strong support of S.2370 introduced by Senators Simon and Leahy and H.R.4263 introduced by Representative Kastenmeier. The proposed amendment, designed to clarify that the fair use provisions of the Copyright Act (17 U.S.C. §107) apply to both published and unpublished copyrighted works, has been necessitated by the remarkable -- and deeply troubling -- series of recent copyright decisions by the United States Court of Appeals for the Second Circuit in *Salinger* v. *Random House, Inc.* (J.D. Salinger biography)(1) and *New Era Publications Int'l* v. *Henry Holt & Co.* (L. Ron Hubbard biography)(2).

In *Salinger*, the Second Circuit ordered the District Court to issue a preliminary injunction barring the publication of a serious biography of author J. D. Salinger because of the biographer's unauthorized quotations from Salinger's unpublished letters. In so ruling, the Court of Appeals stated unequivocally that unpublished works "normally enjoy complete protection against copying any protected expression." (811 F.2d at 97) Indeed, the Second Circuit concluded in Salinger: "If [a biographer] copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined." (811 F.2d at 96)*

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(1) 650 F.Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90(2d Cir.), *cert. denied*, 484 U.S. 890 (1987).

(2) 695 F.Supp. 1493 (S.D.N.Y. 1988), *aff'd on other grounds*, 873 F.2d 576 (2d Cir.), *rehearing denied*, 884 F.2d 659 (2d Cir. 1989), *cert. denied*, 110 S.Ct. 1168 (1990).

In New Era, the Second Circuit held that the publisher of a highly critical biography about L. Ron Hubbard, the controversial founder of the Church of Scientology, had infringed copyrights in Hubbard's unpublished diaries and journals. The Hubbard biographer had used selected excerpts from these previously unpublished materials to refute the public image of Hubbard promoted by the Church of Scientology and to illustrate perceived flaws in Hubbard's character. The Second Circuit made it clear in New Era that an injunction would have been ordered against the publisher of the Hubbard biography but for the plaintiff's unreasonable delay in commencing the copyright infringement lawsuit. In the chilling words of the Second Circuit: "[T]he copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use. . . ." (873 F.2d at 584)*

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* While continuing to support the issuance of an injunction in Salinger, the author of the Second Circuit's opinion in Salinger now concedes that: "[i]t would have been preferable to have said in Salinger '. . .he deserves to be found liable for infringement'" rather than "he deserves to be enjoined." See New Era Publications Int'l v. Henry Holt & Co., 884 F.2d 659,663 n.1 (2d Cir. 1989) (Newman, J., dissenting from denial of rehearing).

Effect of the Second Circuit's Decisions Upon Magazine Publishers

In the wake of the Salinger and New Era decisions by the Second Circuit, it is now clear -- and publishers' lawyers have no choice but to advise magazine editors -- that almost any unauthorized use by a magazine of previously unpublished materials which is challenged by a copyright owner will inexorably lead to a judicial finding of copyright infringement. Moreover, the Second Circuit's rulings in Salinger and New Era leave no doubt that such a finding of copyright infringement will almost always result in the automatic issuance of an injunction against the publisher of previously unpublished materials.

The result: vast quantities of unpublished primary source materials -- "the basic building blocks of history", as Representative Kastenmeier has observed -- previously available for selective quotation by magazine publishers and journalists under the fair use provisions of the Copyright Act are now off-limits. Magazine publishers and editors, confronted on deadline with the inhibiting prospect of copyright litigations and automatic injunctions, will engage in self-censorship and simply decide to refrain from quoting from unpublished primary source materials such as letters, reports and memos.

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* While reiterating his support for the issuance of an injunction in the New Era case but for the laches problem, the author of the New Era opinion has now amended the sentence quoted above by adding the phrase "under ordinary circumstances" at the beginning of this passage. See New Era Publications, Int'l v. Henry Holt & Co., 884 F.2d 659,662 (2d Cir. 1989) (Miner, J., concurring in denial of rehearing).

The Second Circuit's wooden application of the fair use provisions of the Copyright Act to unpublished materials has in effect rendered the Copyright Act an official -- and private -- secrets act giving copyright owners and their heirs complete veto power over publishers' and journalists' quotations from historical source materials. The Second Circuit has apparently forgotten, as Federal District Court Judge Leval reminds us, that: "Quoting is not necessarily stealing. Quotation can be vital to the fulfillment of the public-enriching goals of copyright law." (Leval, Toward a Fair Use Standard, 103 Harv. L. Rev. 1105, 1116 (1990).)*

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* In sharp contrast to the Second Circuit's harsh treatment in Salinger and New Era of publishers' quotations from unpublished materials, a panel of the Second Circuit acknowledged recently the importance and necessity of quotations in a copyright decision -- the New Era v. Carol Publishing case -- upholding the fair use of published materials by yet another Hubbard biographer. Thus, the Court of Appeals observed in Carol Publishing: "[T]he use of the quotes here is primarily a means for illustrating the alleged gap between the official version of Hubbard's life and accomplishments, and what the author contends are the true facts. For that purpose, some conjuring up of the copyrighted work is necessary." New Era Publications International v. Carol Publishing Group, 1990 US App. LEXIS 8726, *21 (2d Cir), rev'g 729 F.Supp. 992 (S.D.N.Y. 1990). We believe the same "conjuring up of the copyrighted work" is necessary and appropriate with respect to publishers' quotations from unpublished materials.

Hypotheticals

To illustrate how the Second Circuit's recent copyright decisions regarding fair use of unpublished materials have adversely affected magazine publishing, let us pose two hypotheticals for your consideration.

1. The Secret LBJ-Nixon Correspondence. Suppose that former Presidents Lyndon Johnson and Richard Nixon had commenced a secret exchange of correspondence following President Johnson's announcement in April 1968 that Johnson would not seek re-election. Suppose further that the secret LBJ-Nixon correspondence, which continued until President Johnson's death in 1973, is uncovered by a magazine journalist while the reporter is researching a retrospective article on the Vietnam War. Assume that the unpublished correspondence includes significant revelations regarding the two Presidents' personalities and political thinking and reveals previously undisclosed information about the two Presidents' conduct of the Vietnam War.

The magazine journalist in our hypothetical includes a limited number of carefully selected verbatim excerpts from the secret LBJ-Nixon correspondence in the article in order to substantiate the reporter's critical analysis of the two Presidents' conduct of the Vietnam War. The journalist quotes from the unpublished letters because he concludes in good faith that he cannot separate the facts or ideas set forth in the letters from the unique form in which they have been expressed by Presidents Nixon and Johnson. Representatives of President Johnson's estate and President Nixon, learning of the existence of the secret correspondence immediately prior to publication of the magazine article when approached by the journalist for comment, respond by filing a copyright infringement litigation in New York against the magazine publisher.

The result: under the Second Circuit's copyright decisions in Salinger and New Era, the magazine publisher would not only be held to have infringed the copyrights in the unpublished letters owned by the Johnson estate and President Nixon, but would be subjected to the issuance of an injunction barring the publication of the article and the magazine unless the infringing quotations, and all close paraphrases, from the Johnson-Nixon correspondence were deleted in their entirety. If the magazine article were already in production, the printing, distribution and promotion of an entire magazine would be disrupted, delayed or possibly cancelled, at enormous financial -- and editorial -- cost to the publisher.

2. The Revealing Corporate Memo. In this hypothetical, suppose a magazine journalist for a business magazine researching allegations regarding a corporation's controversial financial practices is provided a copy of an internal employee memo from the corporation's files. The revealing memo substantiates an employee's claims to the magazine reporter that the corporation

has engaged in illegal conduct. For example, assume that the internal corporate memo describes an elaborate financial scheme apparently designed to avoid the corporation's financial disclosure obligations under the federal securities and the foreign corrupt practices laws. As a responsible journalist, the reporter approaches the corporation for comment prior to publication of the article which will include selected -- but devastating -- quotations from the damaging memo. In response, the corporation not only threatens to sue the magazine for libel but, as the owner of the copyright in the internal employee memo, proceeds to file a copyright infringement claim in New York prior to publication seeking to enjoin the publication of the article and the magazine on the grounds of copyright infringement.

Again, in view of the Second Circuit's copyright decisions in Salinger and New Era, the court would have no choice but to hold that the magazine had indeed infringed the corporation's copyright in the unpublished employee memo. Moreover, while the law is clear that the corporation would never be able to obtain a pre-publication injunction against publication of the article by reason of the corporation's purported libel claims against the magazine, the Second Circuit's recent copyright decisions would mandate an injunction arising from the corporation's copyright infringement claims.

S.2370/H.R.4263

MPA believes S.2370 and H.R.4263 restore the Copyright Act's delicate balance between the rights of publishers and journalists to quote selectively from, and make fair use of, unpublished works and the rights of copyright owners to control the publication of their unpublished materials. By clarifying that the four fair use factors set forth in §107 of the Copyright Act -- namely, (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market of the copyrighted work -- apply to all copyrighted works "whether published or unpublished," the proposed amendment would make it clear to courts that publishers should not be totally precluded from making any fair use of unpublished materials. The mere fact that a copyrighted work is unpublished should not automatically disqualify such materials from fair use just as the fact a work is published does not automatically permit a publisher to make unfettered use of these materials. S.2370 and H.R.4263 would mandate that each fair use case involving unpublished materials should be judged on its merits following a careful judicial balancing of each of the four fair use factors set forth in §107.

Automatic Injunctions

MPA believes Congress should also address the problems engendered by the Second Circuit's rigid rules in Salinger and

New Era concerning the automatic issuance of injunctions in copyright cases. We recognize that several Second Circuit judges have attempted in opinions issued following the Second Circuit's denial of a rehearing in New Era to clarify the Second Circuit's draconian statements regarding the automatic issuance of injunctions.* Unfortunately, these expressions of judicial opinion are nothing more than non-binding dicta. Moreover, Judge Miner is careful to point out in his rehearing opinion (884 F.2d at 661-62) that the New Era panel majority still maintains its prior view that an injunction would have been a proper remedy in New Era but for the laches problem. Similarly, Judge Newman still finds no problem with the preliminary injunction issued in the Salinger case because the injunction did not "halt distribution of a book already in publication; the injunction required the defendant only to revise galley proofs to delete infringing material prior to publication." (884 F.2d at 663) Given the exceedingly tight editorial and printing deadlines faced by magazine publishers, a preliminary injunction such as that issued in Salinger would kill the article in question (and possibly the entire issue of the magazine).

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* See, e.g., Judge Miner's concurring opinion, 884 F.2d at 661: "All now agree that injunction is not the automatic consequence of infringement and that equitable considerations always are germane to the determination of whether an injunction is appropriate". See also Judge Newman's dissenting opinion, 884 F.2d at 664: "[E]quitable considerations, in this as in all fields of law, are pertinent to the appropriateness of injunctive relief. The public interest is always a relevant consideration for a court deciding whether to issue an injunction."

Accordingly, MPA believes the need for a Congressional response to the injunction issue remains.

We submit that the Second Circuit's recent copyright rulings virtually requiring the issuance of an injunction following any finding of copyright infringement are in direct conflict with the discretionary language of the Copyright Act, which simply provides that "any Court. . .*may*. . .grant temporary and final injunctions." (Emphasis supplied) Courts in other jurisdictions have been quick to exercise such discretion in copyright infringement cases and have denied injunctive relief where damages remedies adequately compensated the copyright owner.* In view of *Salinger* and *New Era*, Congress should reaffirm the clear language and intent of the Copyright Act that injunctive remedies are discretionary in copyright infringement cases.

MPA submits that the Second Circuit's mandatory injunction policy is at odds not only with the express language of the copyright statute but, perhaps more importantly, with the underlying policies of the Copyright Act. The purposes of the Copyright Clause as set forth in the Constitution -- "To promote the Progress of Science and useful Arts. . ." -- are ill-served by the automatic and permanent suppression of literary and historical works utilizing selective excerpts from unpublished materials. As Federal District Court Judge Leval -- the trial judge in both the Salinger and New Era cases -- observed in a recent speech:

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* *See, e.g.*, *Abend* v. *MCA, Inc.*, 863 F.2d 1465, 1478-80 (9th Cir. 1988), *aff'd on other grds* 110 S.Ct.1750 (1990) (*Rear Window* case); *Belushi* v. *Woodward*, 598 F.Supp. 36, 37-38 (D.D.C. 1984)(John Belushi biography). *See also* 3 *Nimmer on Copyright* §14.06[B] at 14-56.2 (1988).

> "When we place all unpublished private papers under lock and key, immune from any fair use, for periods of 50-100 years, we have turned our backs on the Copyright Clause. We are at cross-purposes with it. We are using the copyright to achieve secrecy and concealment instead of public illumination." (Leval, Fair Use or Foul?, The Nineteenth Donald C. Brace Memorial Lecture, reprinted in 36 J. Copr. Soc'y 167, 173 (1989).)

MPA submits that a Copyright Act truly sensitive to First Amendment values cannot and should not be interpreted to permit prior restraints to be issued routinely upon a finding of copyright infringement. The almost insurmountable obstacles to the issuance of prior restraint in areas of the law as disparate -- and as important -- as libel, national security and fair trial/free speech disputes render it difficult as a matter of constitutional law and policy to countenance such a drastic remedy becoming routine in copyright litigations. If the First Amendment barred enjoining the publication of the entire Pentagon Papers notwithstanding the serious national security issues cited by the government, why should selective quotations from an important public figure's unpublished letters serve as the basis for an automatic injunction under the Copyright Act? As Judge Leval concluded in his New Era ruling: "The abhorrence of the First Amendment to prior restraint is so powerful a force in shaping so many areas of our law, it would be anomalous to presume casually its appropriateness for all cases of copyright infringement." (695 F.Supp. at 1525)

MPA believes the injunctive remedy should be utilized against publishers and authors as the remedy of last resort under the Copyright Act and only after a court has concluded that the monetary damages remedy already available under the Copyright Act is inadequate and that the infringed party has actually suffered, or will suffer, irreparable harm. MPA submits that courts in copyright infringement litigations against publishers and authors should be required to make a finding of irreparable harm rather than simply ritualistically presuming irreparable harm in the event copyright infringement has been found. Courts should also determine whether "great public injury would be worked by an injunction" (3 Nimmer on Copyright §14.06[B] at 14-56.2 (1988)) and if so, whether monetary damages would be a preferable alternative. As Second Circuit Judge Oakes explained in dissenting from the Court of Appeals's decision in New Era: "Enjoining publication. . .is not to be done lightly. The power to enjoin. . .must be exercised with a delicate consideration of all the consequences." (873 F.2d at 596)

Proposed Copyright Office Study

MPA is hopeful that passage of S.2370 and H.R.4263 will substantially reduce the number of infringement claims and findings against publishers and authors who make selective use of previously unpublished materials, thereby reducing the number of infringement cases where the issue of injunctive relief will need to be raised. We are also hopeful that the legislative history of these proceedings together with the favorable clarifying dicta regarding injunctive relief in the Second Circuit's New Era rehearing opinions will quickly translate into judicial decisions in the Second Circuit and elsewhere refusing to issue automatic injunctions following infringement findings against publishers and authors.

MPA believes, however, that the injunction issue is so fundamental to the proper operation of the Copyright Act -- and the First Amendment -- that Congress needs to monitor the situation closely to determine whether further legislative intervention is required. Accordingly, MPA proposes that Congress formally request the Copyright Office to undertake a study of copyright litigations to determine whether federal courts continue to issue injunctions against publishers and authors in copyright infringement cases and, if so, under what circumstances. MPA believes Congress should ask the Copyright Office to determine specifically whether the Second Circuit, or any of the other federal courts, follow the automatic injunction rules set forth in the Salinger and New Era decisions or whether courts in copyright cases adopt the equitable, public interest approaches followed by the federal courts prior to the Salinger/New Era cases and apparently endorsed by several Second Circuit judges in the New Era rehearing opinions. MPA proposes that Congress ask the Copyright Office to submit the results of this important study to Congress by January 1992. Congress should review the Copyright Office's findings to determine whether further remedial legislation is required to address the important injunction question.

Response to Potential Concerns

Several potential concerns have surfaced with respect to the proposed amendment which MPA would like to address briefly.

1. Privacy

One of the concerns cited with respect to use of unpublished materials under the fair use provisions of the Copyright Act relates to the privacy rights of the copyright owner. In contrast to our antecedent common law jurisdiction, the United Kingdom -- which, to this day, does not recognize the right of privacy -- privacy is a fundamental right of all Americans. Both the United States Constitution* and our common law of torts** protect privacy rights. Additionally, the collection and use of personally identifiable information in government and private sector databases are regulated by statutes such as the Federal Privacy Act* and the Fair Credit Reporting Act.**

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* *See, e.g.*, *Meyer* v. *Nebraska*, 262 U.S. 390 (1923), *Griswold* v. *Connecticut*, 381 U.S. 479 (1965), and *Katz* v. *United States*, 389 U.S. 347 (1967).

** The *Restatement (Second) of Torts*, adopted by most of the states as their own common law of privacy, recognizes protection of privacy interests from (i) intrusion, (ii) "false light" publicity, (iii) public disclosure of intimate embarrassing facts, and (iv) misappropriation.

In light of these significant and developing sources of privacy law, MPA believes that the Copyright Act is an unnecessary vehicle for the further protection of privacy rights. Indeed, we believe that the Copyright Act, which is expressly designed to encourage the broadest possible public dissemination of information, is plainly ill-suited to protect privacy rights. For example, the Copyright Act provides no protection against the dissemination of facts -- regardless of how intrusive or offensive such facts might be -- because only the literal form of expression is protected by copyright.

Moreover, the Copyright Act's expansive protection of copyright for 50 years after the death of the copyright owner is in direct conflict with the general rule under privacy law that privacy rights terminate at death. The Second Circuit's application of the Copyright Act's 50-year rule to protect the privacy interests of decedents represents a dramatic -- and we believe unwise -- expansion of current privacy law. This problem -- which has been referred to as the "widow censor" problem -- underscores the dangers inherent in utilizing the Copyright Act to protect privacy rights.

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* 5 U.S.C. §552a.

** 15 U.S.C. §1681 et. seq.

2. Berne Convention

Another issue which has been raised with respect to S.2370 and H.R.4263 is the effect of the recent adherence by the United States to the Berne Convention for the Protection of Literary and Artistic Works. MPA does not believe the Berne Convention poses any obstacles to passage of the proposed amendment.

To the extent questions have been raised as to whether the proposed amendment might conflict with the so-called "moral rights" provisions of the Berne Convention, MPA responds by observing that Congress was extremely careful to refrain from incorporating a new "moral rights" doctrine into federal law at the time of United States adherence to the Berne Convention. Thus, §2(3) ("Declarations") of the Berne Convention Implementation Act of 1988 expressly states: "The amendments made by this Act, together with the law as it exists on the date of the enactment of this Act, satisfy the obligations of the United States in adhering to the Berne Convention and no further rights or interests shall be recognized or created for that purpose." (Emphasis supplied)

Moreover, Congress made it clear in §2(2) of the Berne Convention Implementation Act that the Berne Convention is not self-executing in the United States and that "[t]he obligations of the United States under the Berne Convention may be performed only pursuant to appropriate domestic law."

The Senate Judiciary Committee Report concerning The Berne Convention Implementation Act, after noting that "moral rights" are not provided under federal law and that federal and state courts have rejected "moral rights" claims, clearly states that "the 'moral rights' doctrine is not incorporated into the U.S. law by [the Berne implementing] statute." (Emphasis supplied) (Senate Judiciary Committee, Berne Convention Implementation Act of 1988, S.Rep.No.352, 100th Cong., 2d. Sess. 9-10.)

Similarly, the House Judiciary Committee Report regarding The Berne Convention Implementation Act observes "that the implementing legislation is absolutely neutral on the issue of the rights of paternity and integrity [moral rights]" and concludes that "adherence to Berne will have no effect whatsoever on the state of moral rights protections in this country." (Emphasis supplied) (House Judiciary Committee, Berne Convention Implementation Act of 1988, H.Rep.No. 609, 100th Cong., 2d Sess. 38).

Accordingly, the legislative history and express language of the Berne Convention Implementation Act make it clear that Congress did not incorporate a new "moral rights" doctrine into federal law by agreeing to United States adherence to the Berne Convention. MPA believes the "moral rights" doctrine should not now be permitted to be utilized by opponents to passage of S.2370 and H.R.4263 to deny publishers and authors the right under the Copyright Act to make fair use of unpublished materials.

Moreover, MPA submits that the language of the Berne Convention does not bar the proposed amendment. Thus, while Article 10(1) of the Convention appears to limit quotations to portions taken from a work "which has already been lawfully made available to the public," Article 9(2) expressly provides that "[i]t shall be a matter for legislation in the countries of the Union to permit the reproduction of [literary and artistic] works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author."

MPA submits that the four fair use tests set forth in §107 of the Copyright Act -- which tests mirror the concerns addressed in Article 9(2) of the Berne Convention -- provide ample protection to copyright owners of unpublished materials to avoid prejudicing such owners' "legitimate interests". We do not believe Congress intended in adhering to the Berne Convention to preclude fair use of unpublished materials. It would be surprising, indeed, if United States adherence to the Berne Convention resulted -- without any debate regarding this important issue -- in the elimination or restriction of magazine publishers' and journalists' rights under the fair use provisions of the Copyright Act and under the First Amendment to quote from previously unpublished information.

Conclusion

MPA applauds the timely efforts by Senators Simon and Leahy and Representative Kastenmeier to address the serious editorial problems engendered by the Second Circuit's recent copyright jurisprudence. MPA believes remedial legislation is clearly necessary to correct the Salinger and New Era decisions. We do not believe -- as Second Circuit Judge Newman has recommended in a recent article (J. Newman, Not the End of History: The Second Circuit Struggles with Fair Use, 37 J. Copr. Soc'y 12, 17-18 (1990)) -- that magazine and other publishers should be required to attempt to litigate piecemeal "solutions" to the real and immediate editorial problems caused by the Second Circuit's copyright decisions. Moreover, such pre-publication litigation "solutions" to the Second Circuit's rulings are not a practical alternative for magazine publishers and journalists who are inextricably tied to tight editorial and printing deadlines.

MPA submits that the public interest will be best served by a Copyright Act and a fair use doctrine that both permit magazine publishers and journalists to make selective quotations from unpublished works and respects the rights of copyright owners to control the publication of their unpublished materials.

We submit that S.2370 and H.R.4263 would restore the delicate balance of the fair use provisions of the Copyright Act which has been destroyed by the Second Circuit's decisions in _Salinger_ and _New Era_.

Kenneth M. Vittor
Magazine Publishers
of America

WRITTEN STATEMENT ON BEHALF OF THE
AMERICAN ASSOCIATION OF LAW LIBRARIES

Before the SUBCOMMITTEE ON PATENTS, COPYRIGHTS, & TRADEMARKS OF THE
SENATE COMMITTEE ON THE JUDICIARY
and the
Subcommittee on Courts, Intellectual Property
and the Administration of Justice of the
House Committee of the Judiciary
on
H.R. 4263 and S. 2370
101st Congress, 2nd Session
Wednesday, July 11, 1990

INTRODUCTION

The American Association of Law Libraries (AALL) is a national organization of more than 4,700 professionals who are committed to developing and increasing the usefulness of law libraries and the cultivation of the science of law librarianship. In the Association's legislative policy adopted in 1990, the Association states its belief "that an equitable balance between the rights of users of information and the rights of copyright holders is essential to the free flow of information. The Association urges that all proposed revisions, guidelines, procedures, or interpretations relating to the Copyright Law maintain this balance by interposing a minimum of obstacles to the free and open distribution of ideas in all media and formats." AALL is interested in H.R. 4263 and S.2370 because many of our libraries, particularly those in the academic sector, are repositories for unpublished works, including manuscripts, letters, and other papers. The purpose of these bills is to apply fair use equally to published and unpublished works. Like published materials, the value of these materials in our libraries would decline if researchers did not have the right to copy from these works in situations covered by section 107 of the Copyright Law.

HISTORICAL FAIR USE

The main thrust of Article 1, Section 8, is to advance public welfare by encouraging the expression and dissemination of creative ideas.

Subject to certain exceptions, copyright legislation gives exclusive rights to the copyright owner. The quoting of reasonable excerpts has long been considered fair use, a judicially created exception to the exclusive rights held by a copyright owner. The rationale for the doctrine and the criteria for its application are discernable from case law. These judicial decisions determine the balance between the public's right of access and the creator's right to benefit from his or her creation.

The 1909 Act was silent on the question of fair use. Until the 1976 Act, there had been no statutory provision dealing with the issue. Under the 1909 Act, unpublished works were protected under the common law of the individual states and authors had property rights in their works. Until general publication of the work, the author had the exclusive right to copy or to authorize copying. Upon publication, copyright protection continued only if the work contained a notice of copyright and was registered with the United States Copyright Office. Reproduction of limited sections of published materials under copyright was subject to the fair use doctrine and other statutory and common law exceptions to the author's exclusive right to copy.

All this has changed with the enactment of the 1976 Act. Now copyright protection is attached the minute the independent work is fixed in any tangible medium of expression. Both published and unpublished works are protected once expressed in a tangible form. Unpublished works created before January 1, 1978 are now protected from unauthorized use until 50 years after the death of the author or at least until December 31, 2002. Congress made a conscious decision to include unpublished works in the 1976 Act. Congress also made a conscious decision to include two important exceptions in the 1976 Act to insure the public's right of access to the wide variety of works now covered by the copyright law: fair use and reproduction by libraries and archives. The fair use exception of the 1976 Act incorporates the judicially created doctrine of fair use - the quotation or paraphrase without the specific permission of limited sections of the document for purposes such as teaching, news reporting, and research.

RECENT COURT DECISIONS ON FAIR USE

Several recent decisions including Harper & Row, Inc. v. Nation Enters., Salinger v. Random House, Inc., and New Era Publications Int'l, v. Henry Holt & Co. have emphasized the unpublished nature of the work in their analysis of the fair use doctrine. In 1985, in Harper & Row, the Supreme Court focused attention on the unpublished nature of the copied work by ruling that The Nation had exceeded fair use when it printed excerpts from a purloined copy of as yet unpublished memoirs of Gerald Ford. Even though the 1976 Act eliminates the distinction between published and unpublished works and does not mention publication as one of the factors to be considered under section 107, the Court insisted that a work's published status is one criterion to consider in determining whether use is fair and that use of unpublished works is fair only in extraordinary cases. Four members of the court agreed that there could be virtually no unauthorized use of unpublished materials "even if the work is a matter of . . . high public concern." The court's interpretation narrows the scope of fair use for all unpublished works.

The Second Circuit in Salinger and New Era Publications limited the "fair use" exception as applied to a biographer's use of unpublished materials, holding that the fair use doctrine was virtually inapplicable to unpublished materials. The Salinger decision appears to all but eliminate the fair use exemption even for research purposes where the copied work is unpublished. Salinger arose from a biographer's use of unpublished letters housed in several research libraries. Relying on Harper & Row, the Second Circuit found that the biographer's use of unpublished letters was not a fair use even though the biography clearly fit within several of the fair use purposes specifically mentioned by § 107 and only slightly more than 200 words were directly quoted from the letters. In its discussion of the effect of the unpublished nature of the work on the application of the fair use doctrine, the Salinger opinion makes two statements that place significant limitations on the public's right to access to scholarly research. First, the court states "Salinger's letters are unpublished, and they have not lost that attribute by placement in libraries where access has been explicitly made subject to the observance of at least the protection of the copyright law." 811 F.2d at 97. While it is true that deposit of an unpublished work in a research library does not reduce the amount of copyright protection for a work, the placement of this statement in the opinion seems to imply major restrictions on the use of unpublished works in libraries while § 108 clearly contemplates the copying of unpublished works housed in libraries for purposes of scholarly research. Second, the court's statement that "we think that the tenor of the Court's entire discussion of unpublished works conveys the idea that such works normally enjoy complete protection against copying any protected expression," 811 F.2d at 97, seems to prohibit all fair use copying from unpublished works. Taken together these two statements imply major restrictions on the use of unpublished works in research libraries that we believe are contrary to the intent of Congress, the public benefit spirit of the Copyright clause of the Constitution, and the best interests of the public. The language in Salinger which prohibits close paraphrasing as equivalent to copying places even more severe restrictions on the use of unpublished works for research purposes.

The Second Circuit reiterated its extremely narrow interpretation of the application of the fair use doctrine to unpublished works in New Era Publications Int'l v. Henry Holt & Co., another biography case in which the court recognized the legitimate purpose of the use.

The Supreme Court's refusal to review either Salinger or New Era now makes it virtually impossible for scholars to practice their craft without running a high risk of having an injunction prevent publication of their works. Authors also are faced with a possibility of monetary damages. These very narrow interpretations of the fair use doctrine stifle the incentive to produce new creative works that the Copyright Law was designed to insure.

Following these decisions, writers and scholars turned to Congress to seek legislative action to correct the chilling affect of these decisions on the creation of new works. As a result of these appeals, H.R. 4263 and S. 2370 have been introduced. Most recently in New Era Publications Int'l v. Carol Publishing Group, the Second Circuit has reaffirmed its interpretation that the unpublished nature of a work precludes most uses that would be fair if the work had been published making the passage of one of these bills even more important.

EFFECT ON LIBRARIES

These decisions place severe limits on the value of important portions of the collections of many research libraries. Since all works created before January 1, 1978 that had not been previously published were granted copyright protection by the 1976 Act until at least the year 2003, and copyright in works created after January 1, 1978 exists until at least the year 2028, all unpublished works now in library collections are covered by copyright. Libraries must presume that every work donated is copyrighted unless it was produced by the federal government. Furthermore, a library cannot presume that the person donating the works to the library owns the copyright in the works nor can a library presume that all rights are transferred even when a donor is the copyright holder. In many cases it may be impossible to track down the heirs of long dead unpublished authors to obtain the release of literary rights. The administrative burdens may prevent some libraries from accepting donations of unpublished materials that contain valuable research material.

If the narrow interpretations in the recent cases concerning unpublished works are allowed to stand, society will lose the benefit of much valuable research. Many of today's scholars would be dead before they could publish their own research which may require the use of quotations or close paraphrasing of unpublished works. Even if the scholars could publish their own research before they died, the delay caused by the inability to quote or paraphrase previously unpublished works could make much of their research out-of-date before it could be communicated to the public.

There is some danger of libraries being exposed to liability for contributory infringement if scholarly use of unpublished material is not considered to be a fair use under the same circumstances as scholarly use of published works.

Those who favor the recent decisions on unpublished works may argue that the prohibition against quotation or close paraphrasing does not reduce the research value of unpublished material because researchers still have the right to use facts from unpublished materials. In the field of law, as in the fields of history, biography, and journalism, accuracy and interpretation of precise wording is critical. In these and other instances, it is important to recognize that accurate recording and analysis justifies the use of direct quotation even where the source may be an unpublished work.

Conclusion

The apparent conflict between recent decisions narrowly interpreting the application of the fair use doctrine to unpublished works and the legislative history of the 1976 Act which clearly indicates Congress' intention to apply the Copyright Law to unpublished works has created confusion and is likely to chill the use of unpublished materials for research purposes. In light of the importance of such materials to research, the American

Association of Law Libraries supports an amendment to the Copyright Law to clarify that the fair use doctrine should be applied to published and unpublished works in the same manner. Clarification will benefit legal researchers as well as historians, biographers, journalists and other researchers by permitting the maximum use of unpublished materials. For these reasons, AALL supports H.R. 4263 and S. 2370.

Statement of the
American Library Association
and the
Association of Research Libraries

to the

Subcommittee on Courts, Intellectual Property,
and the Administration of Justice
House Judiciary Committee

and the

Subcommittee on Patents, Copyrights, and Trademarks
Senate Judiciary Committee

for the Hearing Record of July 11, 1990
on
HR 4263 and S. 2370

The American Library Association and the Association of Research Libraries believe a strong need exists for clarification regarding copyright of unpublished materials. Recent decisions of the United States Court of Appeals for the Second Circuit have made it legally difficult to quote even limited amounts of unpublished materials without obtaining authorization or consent.

The Association of Research Libraries is an organization representing the interests of 119 major research libraries in the United States and Canada. The American Library Association is a nonprofit educational organization of 51,000 librarians, library trustees, and friends of libraries dedicated to the development and improvement of library and information service for all the American people.

ALA has expressed its support for HR 4263 and S. 2370 in a Resolution on "Fair Use" of Unpublished Sources passed by the ALA Council, its policy-making body, on June 26, 1990. The resolution, which urges enactment of legislation to eliminate the distinction between published and unpublished materials with regard to the fair use of quotations, is attached to this statement. HR 4263 and S. 2370 would clarify that section 107, title 17, United States Code, applies to both published and unpublished copyrighted works by adding the words "whether published or unpublished," after "fair use of a copyrighted work,".

Nearly all unpublished materials created at any time before 1978 are now protected by copyright at least through 2002. Tracking down permission for limited quotations from older material will be exceedingly difficult and time consuming. Obtaining permission from authors or heirs for more recent material, especially for critical biographies and histories, may entail a heavy price. The distinct possibility of a finding of copyright infringement, of an injunction barring publication, and of monetary damages for even limited quotations will change the character of most nonfiction work, disturbing the balance between protection for the original author and encouragement of subsequent authors to build upon their work. Advances in many fields are crafted from the work of those who came before.

The traditional scholarly practice of limited quotation or paraphrase from unpublished sources has worked reasonably well for many years--under the common law doctrine of fair use, and under fair use as incorporated in the Copyright Act of 1976. Many of the unpublished materials which have been quoted by authors and scholars are housed in libraries and archives. These institutions collect, preserve, organize, and make available such materials for use. The recent judicial rulings, as responsibly interpreted by publishers and lawyers, would severely restrict the fair use of unpublished sources.

Libraries receive public funds to foster legitimate research. As Nancy Marshall, University Librarian at the College of William and Mary, and a member of ALA's Ad Hoc Subcommittee on Copyright, has commented:

> As the second oldest college in the United States, the College of William and Mary has a unique obligation to the scholarly world. The wealth of material in our collections is a national resource and is researched by scholars from all regions of the United States as well as foreign countries. Because of the age and history of our collection, it is impossible for us or researchers to accurately determine copyright ownership for much of the unpublished material. A strict interpretation of copyright which does not allow for quotation of reasonable portions of unpublished materials will therefore drastically inhibit scholarship.
>
> There has to be a balance between ease of use of unpublished materials and protecting the copyright of the original authors. The flow of scholarship would be drastically impeded by limitations on fair use, and that should not be the intent of copyright doctrine. An interpretation which allows for quotation of reasonable portions of unpublished materials without the explicit consent of copyright holders is necessary to preserve the right of scholarly research.

It has been suggested that donations to libraries of unpublished material might decline if HR 4263 and S. 2370 were passed. However, we believe that these bills, designed to eliminate a recent judicial presumption against a finding of fair use of unpublished material, would have a minimal effect, if any, on donations.

We do suggest that without legislative clarification, donations may decline for another reason. The recent rulings may cause researchers to look to libraries and archives for information on the copyright provenance of their unpublished holdings. The problems for libraries are enormous. The donor may not own all or any of the rights in the materials. Heirs may be difficult to identify and locate. Libraries may thus hesitate to accept some donations of unpublished materials, even those of considerable research value, because of the administrative burdens of identifying copyright holders.

The rights of authors of unpublished materials must be safeguarded, but not at the expense of subsequent legitimate research needs. Legislative reassurance that fair use applies to unpublished materials is needed. Fair use is not unlimited use, and the unpublished nature of a work can be a factor in determining fair use. Section 107 of the Copyright Act of 1976 states:

> In determining whether the use made of a work in any particular case is a fair use, the factors to be considered shall include--
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> (2) the nature of the copyrighted work;
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

We believe that all four fair use factors listed in section 107 should be applied in determining whether the use made of any work subject to copyright protection is fair.

In summary, ALA and ARL agree with witness Floyd Abrams, who concluded (on p. 5 of his testimony at the July 11 hearing): "Enacting this bill into law will eliminate that nearly insurmountable presumption against a finding of fair use while still leaving the courts free to engage in a detailed examination of what use is and is not fair." As noted in the attached resolution passed by the ALA Council on June 26, 1990, the American Library Association supports the passage of HR 4263 and S. 2370, as does the Association of Research Libraries.

Attachment

AMERICAN LIBRARY ASSOCIATION
EXECUTIVE OFFICE
LINDA F CRISMOND
EXECUTIVE DIRECTOR

50 EAST HURON STREET CHICAGO, ILLINOIS 60611 U.S.A.
EXECUTIVE DIRECTOR 312-280-3205 DEPUTY DIRECTOR 312-280-3208
COUNCIL/BOARD SECRETARIAT 312-280-3203 FAX 312-944-3897

RESOLUTION ON "FAIR USE" OF UNPUBLISHED SOURCES

WHEREAS, Libraries and their users are beneficiaries of the scholarship of biographers, literary critics, historians and others; and

WHEREAS, The canons of scholarly research require that serious and responsible researchers draw upon and quote from unpublished primary source materials; and

WHEREAS, The constitutional mandate to create copyright laws represents a careful balance between the rights of authors, publishers, and the public; and

WHEREAS, That mandate and those laws encourage free and open expression and the fullest possible public access to that expression; and

WHEREAS, The freedom of scholars to use quotations from unpublished primary sources is in serious jeopardy; and

WHEREAS, Recent rulings of the U.S. Second Circuit Court have had an inhibiting effect on many forms of research which are of ultimate benefit to libraries and their patrons and have made it legally difficult to quote even limited amounts of unpublished materials without obtaining authorization or consent; and

WHEREAS, A "fair use" doctrine for unpublished materials is needed to balance both the protection of copyright for authors and the encouragement of research by scholars; and

WHEREAS, Representative Robert Kastenmeier and Senator Paul Simon have introduced legislation "(HR 4263 and S. 2370) that would clarify the "fair use" of quotations of unpublished materials; now, therefore be it

RESOLVED, That the American Library Association express its support and urge Congress to enact legislation which would eliminate the distinction between published and unpublished materials with regard to the fair use of quotations; and, be it further

RESOLVED, That copies of this resolution be transmitted to the Judiciary Committees of both houses of Congress.

ADOPTED BY THE
COUNCIL OF THE AMERICAN LIBRARY ASSOCIATION (ALA)
June, 1990, Chicago, Illinois

Linda F. Crismond

Linda F. Crismond
Secretary of ALA Council

PERRY, KANDEL, and ASSOCIATES

BRUCE PERRY

270 SWEDESFORD ROAD
MALVERN, PENNSYLVANIA 19355

(215) 296-0799

July 4, 1990

Senator Dennis DeConcini, Chairman
Subcommittee on the Constitution
Committee on the Judiciary
524 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator DeConcini:

I am writing to express support for S. 2370, which is designed to circumvent the court decisions that have enabled the heirs of Ayn Rand, James Joyce, Sylvia Plath, and others to censor books they oppose by threatening to sue for copyright infringement. Linda Wagner-Martin's biography of Sylvia Plath is a revealing case in point. The original manuscript was highly critical of Plath's British widower, poet-laureate Ted Hughes. Mr. Hughes, who owned the copyright to Plath's unpublished letters, journals, and manuscripts, sent a single-spaced, fifteen-page list of prescribed changes to the editor of the British edition of the book. "S.P.'s [Sylvia Plath's] life is only half S.P.," he wrote in his covering letter. "The other half is me."

Follow-up letters were penned by Ted's sister Olwyn, whom he had appointed administrator of Sylvia's estate. Olwyn accused Ms. Wagner-Martin of blackening Ted's reputation. She objected to Wagner-Martin's disclosure of Ted's habit of consulting his horoscope before he submitted poems for publication. Olwyn demanded that Linda delete the part of the book describing the discord that had pervaded his marriage to Sylvia. She seemed particularly incensed about the thesis that Ted's extra-marital affair with Assia Wevill had triggered the depression that had apparently induced Sylvia to commit suicide. This thesis was based on the contents of the original manuscripts of Sylvia's Ariel Poems, many of which had been written in October, 1962, after Ted had deserted her. Unlike the published versions of the poems, which appeared after Sylvia's death, the unpublished ones emphasized the impact of the failed marriage on Sylvia, who ended her life in February, 1963.

Olwyn threatened to sue for copyright infringement if the offending material was not excised from the "dreadful little book." "We decided to cut rather than fight," Linda recalls:

> "We removed about 150 pages from the 425-page manuscipt. Olwyn said she knew the cuts would impoverish the book."

Olwyn also threatened to instruct Harper & Row and Doubleday to withhold permission for Linda to quote Plath's published writings. She denied she was trying to delay publication until a competing, authorized biography could be published. Yet, because of her threats, publication was delayed fifteen months. Fearing an attempt to block publication, Simon and Schuster released the American edition of the book without advance promotion. No excerpts were published in U.S. literary journals. American reviewers took Linda to task for failing to analyze the literary materials she had been forced to expunge from the book.

I, too, have been forced to delete a great deal of material from a biography I have been working on for more than a decade. The deleted parts of the manuscript are based on letters that Malcolm X, the book's subject, wrote while he was in prison. Some were written in an effort to win new recruits to the so-called Nation of Islam. Some were love letters to Gloria Strother, whom Malcolm wanted to marry. Others were letters he wrote during the Korean War in a two-pronged attempt to persuade the penal authorities to parole him and the military authorities not to draft him. He said his draft board wouldn't induct him even if he begged it to:

> "I've always been a communist . . . .
> When I tried to enlist in the
> Japanese army during the last
> war, it put me in a position
> where they would never draft
> or accept me in the U.S. Army."

Unless I can quote from Malcolm's letters, I cannot adequately convey how he painted his adversaries with brush strokes that betrayed his own real and imagined inadequacies. Nor will I be able to show how he often acted, toward the women he loved and the men he hated, the opposite of the way he felt.

For instance, in June, 1950, Malcolm sent a letter to prison warden John O'Brien. He thanked him and his staff for their "friendliness," "kindness," and willingness to answer the questions of the inmates "with a smile." Each official, Malcolm asserted, is "in a sense a swell guy." The undertone of sarcasm belied his honeyed words. "As for you and the deputies, sir," Malcolm declared, "every man here refers to them as a man with a heart." The exaggerated praise cloaked hidden criticism, as did the exaggerated praise he later showered on "black muslim" leader Elijah Muhammad.

Malcolm concluded the letter to Warden O'Brien with the assurance it was solely designed to say, "We are glad to be under the rule of such a staff." O'Brien received it exactly one year before Malcolm became eligible for parole.

Half a year later, he wrote the Massachusetts Commissioner of Correction. He apologized for the way he had been bothering him about numerous "imagined wrongs." "The injustice," Malcolm declared in language that was both highly ironic and highly revealing, "is all within my own mind":

> "Mr. Dacey, at Norfolk [Prison], once
> asked me if I had a persecution complex.
> I now fear that he was correct. . . I
> have been too busy thinking everyone is

> against me to see that I myself have been against myself."

The Second Circuit's rulings have forced me to delete most of this biographical material. They have also compelled me to excise letters that reveal Malcolm's ambivalence about being in prison. "I want to get out," he wrote his brother Wilfred. Yet he described his incarceration as a liberating experience. "Don't ever think of me as being in prison," he wrote:

> "I was in prison before entering here. . . The solitude, the long moments of meditative contemplation, have given me the key to my freedom. . . . I doubt if I could have found it any other way."

He said he felt more peace and contentment in jail than those outside prison walls who "mistakenly think they possess freedom." Despite his later assertions that his lengthy prison sentence had been due mainly to white bigotry, he wrote:

> "People who strew the kind of seeds that I did should reap the fruit of what they strew."

Later, he put it more bluntly and said, "When one commits a crime, he should be put in jail."

One way I could circumvent the restrictive court rulings would be to obtain the copyright holder's permission to use the letters. But Malcolm's estate is unlikely to grant it. According to a letter I received in response to a request for a transcript of a speech, Malcolm's widow is "quite concerned" that I have written a biography of her husband without her permission. The letter says there may be "legal repercussions" if the book is published without her consent.

Another way to circumvent the court decisions is to try to separate the factual aspects of the unpublished letters from their expressive aspects. But, as Judge Leval has observed, it can't be done when the letter-writer's state of mind is the fact in question. His choice of words is what indicates his state of mind. For instance, in a letter that Malcolm sent Gloria after she failed to visit him, he wrote, "I died inside!" There is no way I can accurately convey the pain he felt without quoting the passage.

Malcolm's prison letters contain other passages that lose most of their biographical significance and impact if they cannot be quoted:

> "Four years ago, I was fortunate enough to receive a ten year term in prison. It was the best thing that could ever have happened to me. I say 'fortunate' because Allah allowed me to enter prison before Satan had the opportunity to pierce my hands with his

> 'nails of death.' Thus, today, I am able to lift the crown of thorns from my head and the heads of my brothers."
>
> "If I fail, I have no one to hate but myself."
>
> "If my mother was wearing the [white] devil's [military] uniform, she would have to die too."
>
> "You are always on my mind and forever in my heart."

Because of the Second Circuit's interpretation of the Copyright Act, I must delete most or all of this material. Other academicians face similar dilemmas. In order to save their manuscripts, they must gut them. Some have to destroy whole chapters. Those who unearth new evidence are unable to share it with their colleagues or the general public. Since they can publish only a fraction of the new material, it is difficult or impossible for them to establish its significance. Research is penalized rather than encouraged. I hope Congress will remedy the situation by passing S. 2370.

Sincerely,

Bruce Perry

Bruce Perry, Ph.D.

malcolm x

1900 WEST
VAN BUREN STREET
CHICAGO, ILLINOIS 60612
PHONE: 942-3000

January 28, 1980

Mr. Bruce Perry
Bruce Frazier Perry
Suite 10C
Garden Court Plaza
4701 Pine Street
Philadelphia, Pennsylvania 19143

Dear Mr. Perry:

I received your inquiry relative to the speech which Dr. Shabazz was suppose to have delivered at Malcolm X College sometime in 1969.

I had a personal discussion with Dr. Shabazz concerning the nature of your aforesaid inquiry.

Dr. Shabazz was quite concerned that you would consider writing a biography of her late husband without getting permission from her. She indicated that there might be legal repercussions if you proceed to develop and publish said biography without her consent; therefore, I desisted and did not pursue your request any further.

I urge you to attempt to contact Dr. Shabazz at Medgar Evers College in New York should you wish to pursue this matter.

Cordially,

James Griggs

James C. Griggs
President

JCG/lml

STATEMENT OF THE ELECTRONIC INDUSTRIES ASSOCIATION
ON
JOINT HEARING FOR H.R. 4263 AND S. 2370

The Electronic Industries Association (EIA) provides these comments on H.R. 4263 and S. 2370 amending the fair use section of the Copyright Act.

The Electronic Industries Association is a trade association representing some 1,000 manufacturers of electronics products. EIA members create a large amount of copyrightable material, both published and unpublished. Our companies therefore have a strong interest in protecting their intellectual effort -- particularly the unpublished material.

The EIA opposes these bills because they significantly expand the potential for the fair use of unpublished works. The net result is to impact adversely the ability to protect unpublished confidential business or technical information.

The proposed legislation could result in an expanded right to copy parts of confidential unpublished works and could result in jeopardizing any trade secrets contained in those works. EIA members firmly believe that the author company should continue to have the right to determine whether a confidential business or technical work, or any portions of them, will be published, and under what circumstances. Under normal circumstances, the author's right to control the first public appearance of an unpublished work should outweigh a claim of fair use.

If continued protection is not afforded unpublished works, then the ability to proceed against "pirates" of copyrighted works is severely undermined. Our industry must be able to prevent misappropriation of its trade secret information. On the other hand, this legislation would have the unsavory effect of supporting "pirates" who copy instead of originating their own copyrightable material. Such a policy is not conducive to strong electronics industries.

Furthermore, state law trade secret protection cannot always effectively prevent dissemination of unpublished works. If the party who improperly disclosed the confidential material cannot be identified, and the party who ultimately publishes it did not know that it was obtained through improper means, there is no effective state remedy. On the other hand, unauthorized reproduction of a copyrighted work by anyone can be protected.

By undermining protection for unpublished works, the proposed legislation will force industry to place greater reliance on contracts to secure effective protection. Increased costs of doing business will result. These increased costs will impose significant burdens on our members -- particularly large business firms.

We urge that you not expand fair use of an unpublished work.

The fair use doctrine has served ably in common law and then in statutory form for several years. We see no compelling justification to change it now.

STATEMENT OF ANDRES J. VALDESPINO TO JOINT HOUSE AND SENATE COMMITTEE CONSIDERING H.R. 4263 AND S. 2370 TO AMEND 17 U.S.C. 107

I thank the members of the House Subcommittee on Courts, Intellectual Property and the Administration of Justice and the Senate Subcommittee on Patents, Copyrights and Trademarks for the opportunity to submit a statement addressing the important question of application of the "fair use" doctrine to unpublished works. I am, however, disappointed that because of objections based on my role as counsel to a plaintiff in a pending litigation, I will not have the opportunity to personally answer questions from the Committee or amplify my statement. Nevertheless, I have been urged to submit this statement to apprise the Committee of the concerns which authors may have about the pending legislation. I hope my observations will be helpful.

The legislation being considered by this Committee stems from two decisions of the Second Circuit Court of Appeals, which have created what I believe is unfounded hysteria. (New Era Publications International ApS v. Henry Holt & Company, Inc., 873 F.2d 576 (2nd Cir.), rehearing en banc denied, 884 F.2d 659 (2nd Cir. 1989); Salinger v. Random House, 811 F.2d 90 (2nd Cir. 1987). To the extent the legislation seeks to clarify that section 107 (the "fair use section") applies to unpublished works, the legislation is unnecessary since there is little dispute on that issue. To the extent the legislation attempts to eliminate the distinction between published and unpublished works, it is illogical, has no foundation in fact and would, in effect, allow the taking of private property by allowing biographers and scholars to decide when, where and how unpublished material belonging to an author will first be published.

The Legislation is Unnecessary

Neither of the decisions which have created the present controversy suggest that a fair use analysis should not, let alone may not, be applied to unpublished works. Indeed, both decisions engaged in extensive analysis of all four fair use factors in reaching their conclusions. Yet the preamble to the bills presented to both the House and the Senate states that the bills are being introduced:

> to clarify that such section [fair use] applies to both published and unpublished works.

No court has suggested that fair use can never be applied to unpublished works. Nevertheless, the proponents of this legislation suggest that the two decisions in question, in their application of the fair use factors, have created a per se rule that copying of unpublished works can never be considered fair use. Such a rule does not exist, has not been adopted by either of the two decisions in question and is supported only by an unwarranted obsession with the results rather than the analysis in *Salinger* and *New Era*. An analogy to the national pastime is perhaps appropriate: just because the first two batters in the new post-*Harper & Row* v. *The Nation* ballpark hit home runs is no reason to move back the fences.

Although some commentators insist that the decisions have created a *per se* rule, there is no language in either decision supporting that suggestion. Indeed, those who suggest that the Second Circuit has created a *per se* rule point not to the *reasoning* of the decisions, but rather to the *results*. Floyd Abrams, in a column in the New York Law Journal written shortly after the *New Era* decision candidly acknowledges that:

> One significant question left open by Judge Miner's [majority] opinion [in *New Era*] is whether it establishes a *per se* rule that any use of expression from any unpublished work is necessarily unfair.

(N.Y. Law Journal, 5/19/89 page 1). Yet Mr. Abrams concludes that the *results* in both *Salinger* and *New Era* point to the creation of a *per se* rule. A finding of no "fair use" in two decisions hardly constitutes the establishment of a *per se* rule or the monolithic treatment of unpublished works.

The Court in both *Salinger* and *New Era* engaged in detailed analyses of all four of the "fair use" factors outlined in section 107. Each of the four factors was considered by both courts. Each court found that since the copied material was unpublished an analysis of the second fair use factor (the nature of the copied work) heavily favored the plaintiff. The existence of a *per se* rule would have obviated the need for analysis of the remaining three factors. If a per se rule did, in fact, exist, all a plaintiff would need to do would be to present the Court with proof that the materials copied were unpublished and look forward to a victory celebration. As counsel for a plaintiff in an action dealing with the copying of unpublished works, I can assure this Committee that a per se rule does not exist.

The litigation over the use of the unpublished works of Richard Wright is presently before the court on motions, by both parties, for summary judgment. The legal analysis that has been presented to the court by both plaintiff and defendants on this issue deals almost exclusively with whether the use by the defendants was "fair use" under section 107. Plaintiff has presented to the court an analysis of all four factors enumerated in section 107 and has urged the court to find no "fair use". Defendants have presented the court with an analysis under the same four factors and urge the court to find "fair use". Plaintiff has neither argued nor urged the court to find that the mere publication of unpublished works is per se not fair use. Similarly, it is difficult to believe, considering the amount of copying of unpublished works contained in the Richard Wright biography which is the subject of that action, that counsel for defendants believed, prior to approving the manuscript for publication, that a per se rule existed.

What Salinger and New Era did is simply follow the rational and important observation of the United States Supreme Court in Harper & Row v. The Nation, 471 U.S.539 (1985), that unpublished works are different than published works and that the difference should be taken into consideration in applying fair use.

The simple fact is that neither Salinger nor New Era has created the disastrous scenario described by those who support the legislation in question. In the same column referred to earlier, Mr. Abrams suggested that these decisions might create difficulty for a biographer who discovered a "letter from Colonel Oliver North to an admirer observing, in particularly pithy language, just how neat it felt to shred documents." I suggest that an analysis of all four fair use factors would result in three of the four weighing heavily in favor of the biographer and only one, the unpublished nature of the work favoring the author. Under such circumstances, fair use should permit publication of that letter. Mr. Abrams' suggestion to the contrary is based on the erroneous reasoning that the results, rather than the legal analysis, of Salinger and New Era will dictate the holding in such a case.

Thus, the legislation being considered by the Committees requires a court to do no more than apply an analysis of all four fair use factors in determining whether copying of unpublished works constitutes infringement. Since the court in both Salinger and New Era engaged in precisely that analysis, and neither suggested that such an analysis is not required, the legislation is unnecessary.

The Legislation Attempts to Extinguish the Crucial Distinction between Published and Unpublished Works

The more troublesome aspect of the legislation, however, is the appearance of an attempt to legislatively extinguish the difference between published and unpublished works. To the extent this is the legislation's objective, it is dangerous and unwarranted. The Supreme Court recognized the crucial distinction between what an author has decided to make public and what an author has decided not to disseminate to the world at large. Most significantly, the Court recognized the valuable right of an author to decide when, where and how those words will be made public. The legislation being considered by the Committees suggests that there is no difference between unpublished works and published works. It is difficult to imagine a more seriously flawed "legal fiction".

The proposed legislation suggests that there is no difference between "Catcher in the Rye" and J.D. Salinger's personal letter to Learned Hand; that there is no difference between "Native Son" or "Black Boy" and Richard Wright's personal journal. Yet the difference could not be more obvious. The former were written expressly for public consumption; the latter for a far more limited purpose. To ignore the difference is to deprive an author of the ability to control the most important element of an author's work: the ability to decide when, where and how those words will be made public. Unpublished works do not belong to biographers, scholars or the public; they belong to the author. That unpublished works are words, rather than chattels, does not make them any less the property of their rightful owner - the author.

Critics of the Salinger and New Era decisions suggest a chilling of biographers' First Amendment rights. There can only be a "chilling effect" if the First Amendment is read to permit the taking of another's property. Yet, nothing in either decision suggested that the respective biographers could not use the material or report the facts expressed in the unpublished works; only that they could not copy it. There is nothing in the Constitution that gives a biographer a First Amendment right to copy "primary sources" verbatim when such material belongs to someone else. The lessons of Salinger and New Era to biographers are clear: use it, cite it, carefully paraphrase it - just do not copy it!

In short, the legislation being considered by this Committee is unnecessary and redundant of existing law. Additionally it attempts to extinguish a difference between classes of work which is at the core of an author's ability to control the publication of a work. I urge the Committee to reject the legislation.

Dated: July 9, 1990

July 9, 1990

Summary of Irwin Karp Letter to Chairmen DeConcini and Kastenmeier On Bills to Amend Sec. 107 [S. 2370/H.R. 4263]

1. The Bills would reverse Justice O'Connor's basic ruling in Harper & Row v. Nation. They would require that fair use "apply equally" to unpublished and published works. In Harper & Row, the Supreme Court flatly rejected that contention, made by the Nation. And it ruled Sec. 107 did not abandon the "traditional distinction" as to fair use; ordinarily, it does not apply until an author "chooses to disclose" his previously undisseminated expression. (pp.1,2)

2. (a) The 2d Circuit decisions in Salinger and New Era do not warrant amending Sec. 107. They cannot make new copyright law; and the Supreme Court's refusal to review does not connote approval of them, as its CCNV v. Reid and Stewart v. Abend decisions demonstrate. (p.2)

(b) Harper & Row does not prevent historians and biographers from using unpublished materials; copyright only protects "expression", not the ideas, facts, and information in the materials, which they are free to use; some copying of expression is permissible regardless of fair use; and the amount of copying allowed under published fair use standards has been grossly exaggerated. (pp.2-4)

3. The Salinger opinion imposed more serious restraints on historians and biographers, but the Bills ignore them. (a) Salinger refused to recognise the proper line of demarcation for fair use is not "publication", but "dissemination", as Harper & Row indicated. The Salinger letters were "disseminated" - legally made available to biographers and others in libraries — and therefore subject to the full measure of fair use. (pp.5,6) (b) Salinger imposed a broad conception of "expression", holding various passages in the biography copied Mr. Salinger's "expression"; under the narrower Hoehling concept, some would be held not to do so, and therefore not to have infringed. (p. 6)

4. The Bills would deprive authors of their existing protection against unauthorised quoting of drafts, and other preparatory materials. The Bills would permit any number of critics and journalists to quote an author's "charwoman" drafts to the fullest extent of fair use; and the copying machine syndrome can give them access to these earlier versions which the author never intended to disclose publicly. The Bills thus would place a chilling effect on the creative process. (pp.6,7)

5. The Bills would destroy the protection now given to diaries, journals and other materials whose creators chose not to disclose them. Justice Black "insisted he was going to burn every damn paper of his", and some were destroyed, to prevent disclosure of his private notes; many other public figures also have chosen this alternative. If the Bills are enacted, more will do so, rather than deposit their private papers in libraries for use by historians and biographers now (without quotation), after a period of years, or when copyright expires. Moreover, allowing full fair use of such materials violates their authors' First Amendment rights. (pp. 7,8)

6. The Bills would change the Fair Use Guidelines for Classroom Copying. (p.8)

IRWIN KARP
ATTORNEY AT LAW
40 WOODLAND DRIVE
RYE BROOK, N.Y. 10573
914/939-5386

July 9, 1990

Honorable Dennis DeConcini
Chairman, Subcommittee on
Patents, Copyrights and Trademarks
U.S. Senate

Honorable Robert W. Kastenmeier
Chairman, Subcommittee on Courts, Intellectual
Property & Administration of Justice
U.S. House of Representatives

Re: S. 2370 and H.R. 4263

Dear Senator DeConcini and Representative Kastenmeier:

I respectfully submit the following comments on the Bills to revise the Copyright Act's "fair use" provision (Sec. 107), and ask that this letter be included in the record of your hearings.

My concern about the Bills stems from my extensive involvement with the issues they affect. I filed an amicus curiae brief for several biographers supporting Random House's petition for certiorari in Salinger v. Random House; I have submitted many briefs for authors' groups in appeals involving fair use/First Amendment issues; I testified on these issues during the Copyright Revision hearings; and I helped prepare the fair use guidelines for classroom copying

1. The Bills Would Change The Existing Law on Fair Use and Reverse Justice O'Connor's Analysis In "Harper & Row."

(a) The Bills' Language. On their face the bills accomplish nothing. They simply add the words "whether published and unpublished" to the opening clause of Sec 107, so that it would read: "Notwithstanding the provisions of Sec 106, the fair use of a copyrighted work whether published or unpublished ... is not an infringement of copyright."

That does not change the present law. The Supreme Court, in Harper & Row v. Nation Enterprises ("Harper & Row"), 471 U.S. 539 (1984), made it clear that section 107 now applies to all copyrighted works, both published and unpublished. It said the right of first publication, infringed by unauthorized quoting of expression from an unpublished work, "like all other rights enumerated in Sec. 106, is expressly made subject to the fair use provision of Sec. 107..." (at 552). It also made clear that the unpublished status of a work, while a key factor, is "not necessarily (the) determinative factor" in deciding under Sec. 107 whether quotation from an unpublished work was a fair use (at 554.)

Standing alone, in its present form, the bill would not change the law or resolve any of the questions raised in Chairman Kastenmeier's floor statement (the "floor statement"), However —

(b) *The Bills' Purpose Is to Change Existing Law.* The intention of the Bills is to change the law governing fair use with respect to unpublished works. Chairman Kastenmeier's floor statement says his bill "would clarify that section 107 applies *equally* to unpublished as well as published works" and that the guidelines set forth in section 107 "will apply to published and unpublished works, and that these factors *apply equally* to all such works." (p.6, typed statement) (emphasis added)

This clearly-stated purpose is not a"clarification" of existing law. On the contrary, it is a drastic change in the long-established judicial law of fair use, as it is explicated in Justice O'Connor's majority opinion in *Harper & Row* — which was restated in section 107, and not changed, narrowed or enlarged by the section (at 549). In *Harper & Row*, the Supreme Court rejected the very interpretation of "fair use" that the Bill intends to impose on the existing law; that is, it rejected the view that fair use and its basic criteria "apply equally" to unpublished and unpublished works — the theory which was advanced by the Nation's counsel, who is testifying before your subcommittees in support of the Bills. The majority opinion rejected his claim that section 107 "intended that fair use would apply in pari materia to published and unpublished works. The Copyright Act does not support this proposition." (at 552) The Court said (at 554) there was no intent to abandon the "traditional distinction between the fair use of published and unpublished works."

The Court noted that under common law, which protected unpublished works before 1978, "fair use traditionally was not recognized as a defense to charges of copying from an author's yet unpublished works", except in cases where the work was made available to the public through performance or dissemination (at 551). The Court said those who prepared the 1976 Revision Bill recognized "overbalancing reasons" to preserve that protection until authors or their successors "choose(s) to disclose" the undisseminated work.(at 553.) It also noted the Senate Report confirms the Congressional intent that the "unpublished nature of the work figure prominently in the fair use analysis."

Justice O'Connor concluded that "the unpublished nature of a work is "[[a] key though not necessarily determinative factor" tending to negate a defense of fair use. (citing Senate Report) (at 554) — and that ""Under ordinary circumstances, the author's right to control the first public appearance of his undisseminated expression will outweigh a claim of fair use.(at 555)

If the Bills are amended to add the "equality" declarations from Mr. Kastenmeier's floor statement, or if their addition of 4 redundant words to Sec. 107 is interpreted by courts to have that effect, the present law of fair use will be drastically changed, with severe adverse consequences for authors and publishers, and for biographers and historians, that are not analyzed or even mentioned in Mr. Kastenmeier's statement. These are discussed in Pars. 4 and 5, below.

2. The "Salinger" and "New Era" Decisions Do Not Warrant An Amendment That Reverses "Harper & Row's" Correct Interpretation of Sec. 107

(a) *Two 2d Circuit decisions Do Not Make New Copyright Law.* The floor statement says the Bills are prompted by the 2d Circuit's decisions in *Salinger v. Random House* and *New Era Publications v. Holt*, in which that Court "appears" to have adopted "a virtual *per se* rule against fair use of unpublished works..." (p. 2). However, what the Bills propose is a change in the basic ruling of *Harper & Row* that fair use does not apply equally to unpublished and published works; and the Bills do not deal with the serious shortcomings of Salinger, see Par. 3.

The floor statement refers to scholars and publishers "concern" that the Supreme Court "failed to disapprove language" in *New Era*. But the publishing community has learned by now that the Supreme Court's refusal to review a 2d Circuit copyright decision does not connote approval of its language, or its holding. In *Aldon Accessories v. Spiegel*, the 2d Circuit incorrectly defined "works-made-for-hire". The Supreme Court denied review. But after other Circuits rendered decisions on the issue, the Supreme Court decided *CCNV v. Reid* last year and flatly rejected the Second Circuit's interpretation. Again, in *Rohauer v. Killiam Shows*, the Supreme Court refused to review a 2d Circuit decision interpreting the Renewal Clause adversely to authors. But after the 9th Circuit rejected the Rohauer view in *Stewart v. Abend*, the Supreme Court granted certiorari and this year again flatly rejected the 2d Circuit's ruling and interpreted the Clause favorably to authors.

These decisions illustrate how the process of judicial review functions: the Supreme Court often and properly waits for more than one Circuit to address an issue and then takes it up for review. After *Aldon Accessories* and *Rohauer* neither the House nor Senate copyright subcommittees considered bills to reverse the 2d Circuit's rulings; they properly recognized that the Supreme Court should and ultimately would perform that function.

(b) "Harper & Row" Does Not Prevent Historians or Biographers From Using Unpublished Materials In Creating their Works.

The target of the Bills is the long-established principle that fair use does not apply equally to unpublished and published works, which *Harper & Row* reaffirmed in a well-reasoned opinion that the floor statement does not contradict. But the statement rationalizes the proposed reversal of that principle by suggesting that without equal application of the fair use guidelines to unpublished works, historians and biographers are prevented from using essential unpublished materials. This simply is not so.

The primary use historians and biographers make of unpublished diaries, journals and other source materials is to obtain facts, ideas, information and other data for use their works. Copyrights in the unpublished materials do not bar this. As Justice O'Connor emphasized in

Harper & Row, "... copyright does not prevent subsequent users from copying" these elements (at 548); "no author may copyright his ideas or the facts he narrates (at 556).

Copyright only prevents the copying of the author's "expression", and this distinction between protected expression and unprotected facts, ideas, information and other materials constitutes the "definitional balance between the First Amendment and the Copyright Act." Prohibitions against the copying of copyrighted expression, including a narrower application of fair use to unpublished materials, "are not restrictions on freedom of speech as copyright protects only forms of expression and not ideas expressed." (at 556)

Actually, the only effect of Harper & Row's affirmation of the principle that fair use does not apply equally to unpublished works is to limit the amount of unauthorized quoting of expression in copyrighted unpublished materials — not to limit the far more important use of facts, ideas and information, etc. that those materials make available to the historian or biographer for use in his/her book. And the impact of the limitation is grossly exaggerated.

First, even if fair use standards were applied equally to unpublished works, only a limited amount of expression could be quoted or closely paraphrased. A Washington Post article (Feb. 12, 1990) by J. Yardly reports that author James Reston Jr. was told by his publisher (Harper & Row) that his forthcoming biography of John Connally could quote no more than 7% of Connally's unpublished letters, based on advice from "an outside counsel" that this much was acceptable as "fair use" of the "unpublished" material. But even if fair use applied as it does to published works, many copyright experts would not approve anywhere near that much quotation. For example, in Meeropol v. Nizer, the 2d Circuit held that use of 2.4% of published letters might not be a fair use; in other cases, Courts of Appeal have held that copying of even smaller percentages of published works were not fair use. But, as noted below, even a fair use of 2% can be damaging in the circumstances dealt with in Pars. 4 and 5, since an accumulation of various fair use quotations of expression by different writers and journalists could disclose a much greater proportion of a work whose author chose not to disseminate it to the public.

Second, fair use is not the only recourse for biographers and historians who wish to quote from unpublished works. If the quoting does not constitute substantial copying, it would not be infringement regardless of fair use. In addition, quotation of expression is not infringement when it is necessary to express facts, e.g. when facts and the expression of them cannot be effectively separated. (at 563). Of course, there is no limit on quotation from unpublished works whose copyrights have expired; nor on quotation done by permission of the copyright owner.

Third, much quoting from unpublished works is done primarily to make the book more readable, sensational or otherwise attractive to a wider audience, and not because it is necessary to achieve the primary purposes of a biography or history. While this is not an issue that should dictate decisions as to fair use, it is relevant in appraising the legitimacy of the alleged crisis which has lead some publishers to reverse their Association's position in *Harper v. Row* and which they cite as justification for the precipitous effort to reverse the Supreme Court's ruling that fair use does not apply equally to published and unpublished works.

Finally, the more pervasive restraints imposed by the *Salinger* decision arise from aspects of it that the Bills ignore. Nor do the Bills in any way alleviate the problem of enjoining original works that contain a preponderance of original material but copy some expression from a prior work.

3. The Restraints Which "Salinger" Imposed on Biographers and Historians

(a) "Publication" is Not the Correct Line of Demarcation for Fair Use Purposes

In *Salinger*, the 2d Circuit ruled that because the letters involved were not "published" — i.e., copies were not distributed to the public (Sec. 101) — the defendants were not entitled to the measure of "fair use" quotation that would have applied had they been published. I and other copyright attorneys believe the 2d Court misapplied *Harper & Row.* As the 1976 House Report emphasized, the concept of "publication" was "the most serious defect" of the 1909 Act, because works are disseminated to the public by means other than the distribution of printed copies: by performance, broadcasting, etc. Dissemination, not publication, is the proper line of demarcation for determining when works are subject to the full application of fair use criteria. *Harper & Row* recognized this. And this view is compatible with Article 10(1) of the Berne Convention, which allows for quotation of works that have "already been lawfully made available to the public."

Justice O'Connor's opinion recognized that dissemination of a work by means other than publication could permit the full measure of fair use. She noted fair use was "predicated on the author's implied consent to (fair use) when he released his work for public consumption" (at 550); that implied consent may be based on "de facto publication on performance or dissemination of a work" (551); and that fair use claims as to undisseminated works ordinarily were outweighed by the author's "right to control the first public appearance of his undisseminated expression." (at 555)

I argued in a brief supporting the publisher's petition for certiorari in *Salinger* that the author's letters were voluntarily disseminated and lawfully made available for fair use by biographers. The recipients were lawfully entitled to disclose the letters' contents to others, and to place them in libraries where (under Sec. 109(c)) they could be "displayed publicly" — i.e. be read by biographers and historians. No restrictions against such dissemination were placed on the letters by Mr. Salinger when he sent them to his friends who gave them to the libraries where the defendant biographer read them.

Other copyright attorneys agree with this view, as does Judge Miner in his recent article in the Copyright Society Journal (October 1989; Vol 37, at p. 111.) The same considerations, I believe, apply when the author or other owner of copyright in a journal, diary or similar material places it in a library without restrictions that prevent its "display" to the public. It has been disseminated, and is subject to the full measure of fair use.

(b) The "Salinger" Opinion's Conception of "Expression" Sharply Restricted Biographers and Historians Legitimate Use of Disseminated and Undisseminated Copyrighted Works.

InHarper & Row, Justice O'Connor emphasized that, especially in the case of non-fiction works, the "law is currently unsettled" regarding the standard for determining what is "expression". As she noted, it is particularly unsettled in the 2d Circuit. Judge Newman, in Salinger, applied a broad conception of "expression", essentially following the 2d Circuit decision in Wainright Securities v. Wall Street Transcript Corp. (where "protection (was) accorded author's analysis, structuring of material and marshaling of facts" (at 548).) This lead him to hold that various passages from the Random House biography copied Salinger's expression. But if he had followed the 2d Circuit decision in Hoehling v. Universal City Studios, which adopted a narrower conception of "expression", many of those same passages might have been held not to copy "expression", and therefore would not have infringed Salinger's copyrights — regardless of fair use.

* * *

The opportunities of biographers and historians to make appropriate use of "unpublished" copyrighted materials are far more greatly restricted by a overly-protective conception of "expression" (and by the failure to recognize "dissemination" as the appropriate line of demarcation of fair use) than they are by Harper & Row's well-reasoned affirmation of the rule that when an author has not yet "released his work for public consumption", thus impliedly consenting to fair uses of it, that factor — under ordinary circumstances — will "outweigh a claim of fair use" with respect to his yet "undisseminated expression." (at 550, 555)

4. The Bills Would Deprive Authors of Existing Protection Against Unauthorized Disclosure of Drafts, And Other Preparatory Materials, And Of Works They Decide Not To Disseminate To The Public.

As Justice O'Connor emphasized, a primary purpose of shielding undisseminated copyrighted manuscripts and other materials is to protect the author's creative freedom (at 555), as well as to enforce his basic right to decide whether, as well as when, to disseminate a given work or version of it (at 551, 553, 564.)

Many authors would never wish any portion of their first or second or other draft manuscripts of a work to be publicly disclosed. Under present law, no one can quote any expression from those undisseminated works. If the Bills are enacted, these manuscripts would be exposed to considerable disclosure by quotation under the "equally applicable" fair use criteria that now apply only to published works. And the extent of disclosure would be magnified, since several critics, journalists, and biographers could each quote different portions of the undisseminated manuscripts.

This would seriously inhibit the creative process, and do considerable damage to the work and reputations of eminent and highly-talented authors and dramatists. James Thurber said "... the first or second draft of everything I write reads as if it were turned out by a charwoman"; and that for his writing "is most a question of rewriting ...", sometime requiring as many as 15 complete rewrites. [WRITERS AT WORK, The Paris Review Interviews, Viking Press, 1958, p. 88] This is a working method shared by countless authors and dramatists (see also Malcom Cowley's introduction, ibid, at 9-12.)

Draft manuscripts are sent to editors for revision, and often to one or a few colleagues for comment and suggestions (prefaces to countless books acknowledge such assistance.) Their authors have no intention of disclosing them to the public, nor do their editors or colleagues breach that understanding. But in the age of Xerox, the existing law on fair use, as set out in Harper & Row, is often the only effective protection authors possess against having their "charwoman" drafts widely quoted by other authors and journalists not averse to profiting from such disclosures. In the preface to her book JUST ENOUGH ROPE (Villard Books, 1989), Joan Braden recounts how excerpts from an unpublished proposal for her yet-unwritten book, sent only to prospective publishers, were published without authority in the Washington Post and several other newspapers. She said " I failed to take account of copying machines. I had not realised that everybody in every publisher's office, could if they chose make copies of the proposal and distribute them to their friends ... or that so many of them would so chose."

If the Bills are enacted, thus requiring that fair use apply equally to writers' and dramatists' and composers' undisseminated drafts, countless authors could be severely damaged, and Congress would have placed a chilling effect on the creative process many authors use in writing books, plays and music. Many authors, in addition, would be embarrassed by widespread fair-use disclosure of material from manuscripts they had chosen not to publish because they were not satisfied with their work.

5. The Bills Would Destroy the Protection Against Disclosure Now Given to Diaries, Journals and Similar Materials Whose Creators Never Intended to Disseminate Them

Leon Edel, the biographer of Henry James, tells us that James "burned his papers in a great bonfire in his garden" (WRITING LIVES; W.W. Norton, 1984, at. 22.) He did not want them disclosed to the public. Many other famous public figures or their widows and children have taken the same "precaution" against disclosure of writings they did not wish to be disseminated. According to Justice William Brennan, Justice Hugo Black "insisted he was going to burn every damn paper of his ... (and) some of his papers were destroyed." (PROFILES (JUSTICE WILLIAM BRENNAN), by Nat Hentoff, THE NEW YORKER, March 20, 1990, at 69.) Justice Black was furious that a biographer of Chief Justice Stone had used Stone's "private notes" in the biography, and wanted to make certain that his private notes were not disclosed in the same way.

While the Bills purport to help biographers and historians, any instant gratification these writers get from being able to quote from undisseminated manuscripts under the "equal application" of fair use may well be greatly outweighed by the increased destruction of such materials as the only means of protecting them against unwanted dissemination -- or as with great paintings, the sale of the manuscripts to wealthy collectors who have no interest in allowing biographers or historians to read them to obtain facts, ideas and other unprotected information.

Existing law, which does not allow "equal application" of fair use does protect the rights of those who write journals, diaries and similar materials sufficiently to induce many of them to preserve these materials, and often to place them in libraries under restrictions against any disclosure for specified periods, or against quotation. Far better than bonfires is the existing law, as stated in Harper & Row, which encourages these authors and their heirs to preserve such materials for ultimate use by biographers and historians, which frequently makes the facts and information they contain currently available, and which eliminates all restrictions when copyright expires.

Finally, and perhaps most importantly, the existing law respects the First Amendment right of authors of such undisseminated materials not to "speak publicly" — i.e. not to disclose and disseminate those materials — as Justice O'Connor emphasized (at 559). The Bills, by changing the present law to require equal application of fair use standards to undisseminated works, would permit violation of those First Amendment rights.

6. The Bills Would Change the Fair Use Guidelines for Classroom Copying.

As Justice O'Connor noted, the Senate Report on the 1976 Revision Bill (p.64) said that under ordinary circumstances fair use would not apply to reproduction of unpublished copyrighted material for classroom purposes. (at 553.) The Guidelines for Classroom Copying of copyrighted works, adopted by educational, publishing and author organizations — and included in the House Report (at pp. 68-70) — were generally thought to apply only to published works. But there is no reason why they would not also apply to unpublished and undisseminated works, if the Bills are enacted.

7. The Floor Statement Does not Indicate Whether the Bills Would Apply Retroactively

If the Bills are enacted, they will diminish the property rights in unpublished works secured by existing law under the Copyright Act and the judicial interpretation of fair use which determines the effect of Sec. 107. If the new provision is applied retroactively to works already in existence when it takes effect, their owners would be deprived of rights they obtained when those works were created. That retroactive application might well violate the Fifth Amendment. If it does, or if the Act only applies prospectively, it would not solve the problem of a handful of conglomerate publishers who have a few books in preparation which quote from unpublished letters, and who support the Bills. Had one or more of them followed Mr. Abend's example (Stewart v. Abend) and tested the questions raised in Salinger in a declaratory judgment action in another Circuit, the issue might have reached the Supreme Court by now, and the subcommittees would have the benefit of its interpretation of the law rather than only the two inconclusive 2d Circuit opinions. That course is still open, and more effective than the proposed amendment of Sec. 107 which will harm many more authors, including biographers and historians, than it will help.

Sincerely yours,

Irwin Karp

COMMITTEE FOR LITERARY PROPERTY STUDIES

Georges Borchardt
Robert F. Drinan
Frank D. Gilroy
Henry F. Graff
John Hersey
Justin Kaplan
Irwin Karp*
John M. Kernochan
Perry H. Knowlton
Harriet F. Pilpel
Barbara Ringer
Robert Wedgeworth

* Counsel

August 24, 1990

Honorable Dennis DeConcini
Chairman, Subcommittee on Patents,
Copyrights and Trademarks
United States Senate

Honorable Robert W. Kastenmeier
Chairman, Subcommittee on Courts, Intellectual
Property and Administration of Justice
House of Representatives

re: First and Fifth Amendment Implications
of Bills to Expand Fair Use Taking
of Expression from Unpublished Works
(S. 2370 and H.R. 5948, Sec. 201)

Dear Senator DeConcini and Representative Kastenmeier:

Our Committee respectfully submits the attached memorandum on the pending Bills to revise the Fair Use provision (Sec. 107) of the Copyright Act with respect to unpublished works. For the reasons indicated, we believe the proposed change would violate

(1) the First Amendment rights of authors and others who create and choose not to publish diaries, journals, preparatory drafts of literary works, and other undisseminated copyrighted materials; and

(2) the Fifth Amendment rights of authors and other copyright proprietors of unpublished works created before the effective date of the proposed revision, if the revision is applied retroactively.

Sincerely yours,

Irwin Karp

Irwin Karp
Counsel, Committee for Literary
Property Studies

cc: Members of the Subcommittees
Ralph Oman, Esq., Register
of Copyrights

40 Woodland Drive, Rye Brook, NY 10573 (914) 939-5386

COMMITTEE FOR LITERARY PROPERTY STUDIES

Aug. 24, 1990

To: Subcommittee on Patents, Copyrights & Trademarks
Committee on the Judiciary, United States Senate

Subcommittee on Courts, Intellectual Property &
the Administration of Justice
Committee on the Judiciary, House of Representatives

Re: First and Fifth Amendment Implications of Bills to Expand
Fair Use Taking of Expression from Unpublished Works
S. 2370 and H.R. 5948, Sec. 201

The Committee For Literary Property Studies respectfully submits the following comments on the pending Bills to revise the Fair Use provision (Sec. 107) of the Copyright Act with respect to unpublished works. For the reasons indicated, we believe the proposed change would violate

(1) the First Amendment rights of authors and others who create and choose not to publish diaries, journals, preparatory drafts of literary works, and other undisseminated copyrighted materials; and

(2) the Fifth Amendment rights of authors and other copyright proprietors of unpublished works created before the effective date of the proposed revision, if the revision is applied retroactively.

A. The Effect of the Bills on Existing Rights of Authors of Unpublished Works

The Bills add the words "whether published or unpublished" to Sec. 107, which deals with fair use of copyrighted works. On their face the Bills do not change the Section, or the present law of fair use, since the Supreme Court in Harper & Row v. Nation Enterprises, 471 U.S. 539 (1984) held that the section applies to all copyrighted works, both published and unpublished. But in floor statements, the sponsors of the Bills indicated that the intended purpose was to permit a degree of fair use taking of expression from unpublished works which is greater than that permitted under the present law — as it was interpreted by Justice O'Connor's opinion in Harper & Row.

In Harper & Row, the Supreme Court concluded that "the unpublished nature of a work is '[a] key, though not necessarily determinative, factor' tending to negate a defense of fair use. (citations omitted)" (at 554) The Court held that "Under ordinary circumstances, the author's right to control the first public appearance of his undisseminated expression outweighs a claim of fair use." (at 555) Some proponents of the Bills support them as a means of changing these principles.

If the proposed Bills would permit a greater degree of fair use taking of expression from undisseminated works than is allowed under existing law, they would violate the First Amendment rights of authors of those works. It should be noted that the area of concern is the author's "expression."

40 Woodland Drive, Rye Brook, NY 10573 (914) 939-5386

Harper & Row makes it plain that subsequent writers and scholars may use the facts, ideas, and other information contained in unpublished or otherwise undisseminated works, since copyright does not prevent use of these elements (at 548,556, 559-60).

Moreover, the Supreme Court made it clear that this "dichotomy" between "expression", protected by copyright -- and facts, information, and ideas, which copyright does not protect -- strikes a "definitional balance" between the Copyright Act and the First Amendment.(555) The present protection of expression in unpublished works against any fair use taking "under ordinary circumstances" does not violate the First Amendment for, Justice O'Connor emphasized, "Copyright laws are not restrictions on freedom of speech as copyright only protects forms of expression and not the ideas expressed. 1 Nimmer Sec. 1.10[B][2]." (at 556.)

On the other hand, a statute that permitted more fair use taking of undisseminated expression than is permitted under present law would violate the First Amendment's protection of "the right to refrain from speaking at all."

B. The First Amendment Protects an Author's Right To Withhold Dissemination of Expression in His/Her Unpublished Work.

In Harper & Row, the Supreme Court emphasized that the narrower application of fair use to unpublished works serves a primary First Amendment purpose. It said (at 559) " Moreover, freedom of thought and expression includes the both the right to speak freely and the right to refrain from speaking at all.' Wooley v. Maynard, 430 U.S. 705, 714 (1977) (Burger, C.J.) " (emphasis added.) The Court cited Chief Judge Fuld's comment in Estate of Hemingway v. Random House that the First Amendment "prohibits improper restraints on the voluntary public expression of ideas" and also protects the "concomitant freedom not to speak publicly, one which serves the same ultimate end as freedom of speech in its affirmative aspect." 23 N.Y. 2d 341, 348 (1968).

"Courts and commentators", as Justice O'Connor reminds us, "have recognized that copyright and the right of first publication in particular, serve this countervailing First Amendment value. (citations omitted)" (at 560). And the Supreme Court frequently has upheld the First Amendment right not to speak publicly. In Wooley v. Maynard, protecting that right, it said (430 U.S., at 714) the First Amendment "right to speak and to refrain from speaking are complementary components of the 'broader concept of 'individual freedom of mind.'", citing Board of Education v. Barnette, 319 U.S. 624, 633-635,637 (1943). This concept, said Wooley, is "illustrated by" Miami Herald Publishing Co. v. Tornillo, 418 U.S. 241 (1974). There the Court held unconstitutional a Florida statute which required newspapers to publish statements they did not wish to publish.

More recently, the Court emphatically reaffirmed the constitutional right not to speak publicly. In Riley v. National Federation of the Blind of N.C., 108 S.Ct. 2667 (1988), it said: "the First Amendment guarantees 'freedom of speech', a term necessarily comprising the decision of both what to say and what *not* to say." (at 2677). It pointed out that the "constitutional equivalence of compelled speech and compelled silence in the context of fully protected expression was established in *Miami Herald Publishing Co. v. Tornillo*, and that a statute compelling publication was as much prohibited by the First Amendment as one prohibiting publication. Significantly, among the prior decisions it cited was *Harper & Row*, referring to the page (559) containing the statements quoted in the first paragraph of this section [B].

C. Amendment of Sec. 107 to Allow Greater Taking of Expression from Unpublished Works Is Governmental Action Which Invokes the First Amendment's Operation

Amendment of Sec. 107 to permit more fair use taking of expression from unpublished works than is permitted by present law under *Harper & Row* would not, in itself, compel authors of those works to publish material they chose not to disseminate. But it would permit unauthorized publication of portions of their expression by other individuals acting under color of right -- an expanded fair use privilege -- granted by Congress through enactment of the pending Bill. The restrictive effect on the First Amendment right *not* to publish is just as adverse in this circumstance as it would be if Congress had directly required the authors of unpublished works to publish their expression. *Abood v. Detroit Board of Education*, 431 U.S. 209. (1976)

In *Abood*, the Court pointed out that where private action which deprived individuals of First Amendment rights was made possible by enactment of a Federal statute, that enactment was "governmental action" that invoked the protect of the Amendment, because the legislature made possible the deprivation of those rights; at p. 218 (fn. 12), 226-227, citing *Railway Employees Dept. v. Hanson*, 351 U.S. 225 (1956) and *Machinists v. Street*, 367 U.S. 740 (1967).

Mr. Justice Stewart's opinion in *Abood* quoted with approval Justice Douglas's statement in *Street*:

> "Since neither Congress nor the state legislatures can abridge [First Amendment] rights, they cannot grant the power to private groups to abridge them. As I read the First Amendment, it forbids any abridgement by government whether directly or indirectly." 367 U.S., at 777

We submit that by revising Sec. 107 to permit individuals to take and publish more from unpublished works than is permitted under the copyright and First Amendment standards set forth in *Harper & Row*, Congress would be violating the First Amendment rights of authors of those works, and such taking by private individuals also would violate their rights. [It also should be noted that fair use of a given work is not limited to one subsequent scholar or writer. If Congress diluted the protection of an unpublished work under the *Harper & Row* standards, several individuals could, through the the aggregation of their quotations, publicly disclose much of its author's expression.]

COMMITTEE FOR LITERARY PROPERTY STUDIES

D. The Fifth Amendment Prohibits Retroactive Application of An Act That Increases Fair Use Taking of Expression from Unpublished Works.

Justice O'Connor noted in Harper & Row that the right of first publication granted in Sec. 106(3) is a separate property right (552) — under Sec. 201(d) -- that entitles the author to determine "whether and in what form to release his work" (553). That right vested in authors of existing unpublished works when they are created; or vested on January 1, 1978 in the case of unpublished works created before that date; Secs. 302, 303. It is that property right which prohibits other writers from taking expression from an unpublished work under claims of fair use.

In Roth v. Pritikin, 710 F. 2d. 934 (2d Cir. 1983, cert. denied, 464 U.S. 961 (1983), the Court said "an interest in a copyright is a property right protected by the due process and just compensation clauses of the Constitution (citations omitted)." The dimensions of the right of first publication of existing works, including the limitations on the extent to which others may take expression from them under the privilege of fair use prior to publication, are explicated in Harper & Row. The Court was not making new law, it was applying the law which governed when these unpublished works were created -- i.e., the law on which authors based their expectation as to the extent of protection they would have against unauthorized use of their expression until they chose to publish their works.*

If the Congress now expands the scope of fair use to permit taking of expression from unpublished works beyond the extent permitted under the present law, retroactive application of that Act to a work already in existence would constitute a taking of the author's property right of first publication, and a taking for the benefit of any number of other writers and journalists who copied expression from it by virtue of the revision. The retroactive application of such a provision could well violate the Fifth Amendment rights of authors and other owners of existing unpublished works.

Irwin Karp
Counsel, Committee for Literary
Property Studies

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* In its 1984 brief to the Supreme Court, supporting Harper & Row, the **ASSOCIATION OF AMERICAN PUBLISHERS**, after reviewing the legislative history of the 1976 Copyright Revision Act, said "it is clear that Congress intended a 'narrowly limited' application of the fair use doctrine to unpublished works, and that-other than in extraordinary circumstances-fair use should not justify an unauthorized first publication", referring to the Nation's publication of 300 words from the Ford memoirs. The AAP brief went on to say "The principle that fair use must be narrowly restricted to extraordinary circumstances in the case of unpublished works is not new to the 1976 Copyright Act. It derives from a similar principle under the regime of common law prior to its preemption by the 1976 law", citing cases and authorities. 9 Columbia Journal of Art & The Law (1985), 263, 286, 272-3.

STATEMENT OF AMERICAN COLLEGE TESTING PROGRAM, COLLEGE ENTRANCE EXAMINATION BOARD, EDUCATIONAL TESTING SERVICE, GRADUATE MANAGEMENT ADMISSION COUNCIL, GRADUATE RECORD EXAMINATIONS BOARD, LAW SCHOOL ADMISSION COUNCIL, NATIONAL COUNCIL OF ARCHITECTURAL REGISTRATION BOARDS, NATIONAL COUNCIL OF EXAMINERS FOR ENGINEERING AND SURVEYING, AND TEST OF ENGLISH AS A FOREIGN LANGUAGE POLICY COUNCIL CONCERNING H.R. 4263 AND S. 2370

The following testing organizations, American College Testing Program (ACT), College Entrance Examination Board (College Board), Educational Testing Service (ETS), Graduate Management Admission Council (GMAC), Graduate Record Examinations Board (GRE Board), Law School Admission Council (LSAC), National Council of Architectural Registration Boards (NCARB), National Council of Examiners for Engineering and Surveying (NCEES), and Test of English as a Foreign Language Policy Council (TOEFL Policy Council), welcome this opportunity to express our views about H.R. 4263 and S. 2370, which would amend Section 107 of the Copyright Act with regard to the fair use of unpublished works.

We acknowledge the need to ensure that the fair use doctrine is not applied in a way that will deter scholars from quoting unpublished letters, diaries, and the like, since such materials constitute "the basic building blocks of history and biography." Cong. Rec. H806 (March 14, 1990) (remarks of Chairman Kastenmeier). We are concerned, however, that the enactment of this legislation — designed to address certain specific concerns arising out of the Second Circuit's decisions in Salinger v. Random House, Inc., 811 F. 2d 90 (2d Cir.), cert. denied, 484 U.S. 890 (1987), and New Era Publications Int'l ApS v. Henry Holt & Co., 873 F. 2d 576

(2d Cir.), reh'g denied, 884 F. 2d 659 (2d Cir. 1989), cert. denied, 110 S. Ct. 1168 (1990) ("New Era I") — could send an unintended "signal" to the courts with regard to the application of fair use in other contexts. In other words, the proposed legislation could have effects that are wholly unrelated to the concerns that prompted its sponsors (Representative Kastenmeier and Senators Simon and Leahy) to introduce it.

In particular, we are concerned that this legislation might be construed by the courts as suggesting some change in existing law concerning copyright protection for secure tests. As we discuss more fully below, under settled case law decided before the Second Circuit's decisions in Salinger or New Era, the courts have effectively found that secure tests are not subject to fair use. The strong protection given to secure tests does not impede the work of scholars, but does play an essential role in preserving the integrity of the testing process. If H.R. 4263 and S. 2370 continue to progress through the legislative process, therefore, it is vital that the Committee Reports make clear that there is no intention to disturb existing law concerning fair use of secure test materials.

Background

The testing organizations submitting this statement collectively sponsor, develop, or administer a wide range of secure tests. Many of these tests, such as the Scholastic Aptitude Test (SAT), the American College Testing (ACT) Assessment, the Law School Admission Test (LSAT), the Graduate Management Admission Test

(GMAT), the Graduate Record Examinations (GRE), and the Test of English as a Foreign Language (TOEFL), are used in the process of admission to educational institutions. Other tests, such as the National Council of Architectural Registration Board (NCARB) examination, and the National Council of Examiners for Engineering and Surveying (NCEES) examination, are used in the process of professional licensure or accreditation. All of these tests are protected by copyright upon creation.

Although these tests vary in their subject matter, they have many features in common. First, security and other concerns require testing agencies to develop a number of different forms of each test. Development of test questions and test forms is necessarily a lengthy and costly process. A new SAT form, for example, costs hundreds of thousands of dollars and typically takes more than 18 months to develop, during which each question (and the form as a whole) is put through a lengthy series of quality control checks.

Second, it is routine for test questions and test forms to be reused (subject to appropriate guidelines) in all of these testing programs. Reuse of test questions and forms is fundamental to standardized testing for a variety of reasons. For example, testing organizations often reuse test questions in order to "equate" different test forms — that is, to ensure that scores on a particular test form are comparable to those on other forms of the same test. Testing organizations also reuse test questions as part of the process of "pretesting," i.e., trying out questions to assess their validity and statistical properties before they are used in a scored section of an examination. Reuse of test questions and forms also permits testing agencies to reduce the costs and administrative burdens of developing tests.

Third, all of these tests are "secure" – that is, their sponsors take extensive security precautions designed to ensure that test-takers do not have the opportunity to see the actual test questions in advance and do not retain copies of test forms after the administration is completed.1/ The tests are administered at specified centers on specified dates; each test book and answer sheet is separately numbered; and test books are collected at the end of each administration and returned to the test administrator, where they are counted to ensure that all have been accounted for. Although no set of security procedures is absolutely foolproof in the context of examinations that are administered to hundreds of thousands of candidates in test centers around the nation (and often throughout the world), these and other precautions play a crucial role in ensuring the integrity of secure testing.

Fair Use and Secure Tests

Although fair use issues are often subtle and complex, fair use analysis of copying of secure test materials is straightforward: as the Third Circuit observed in a 1986 decision, "the unique nature of secure tests means that any use is

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1/ In some instances, testing organizations disclose some test questions to test-takers after the tests have been administered. Questions that have been disclosed through this process are not reused.

destructive of [the testing agency's] rights." Educational Testing Service v. Katzman, 793 F. 2d 533, 543 (3d Cir. 1986) (emphasis added). The reason is obvious: If students see test questions in advance, they will have an unfair advantage over those who do not have that opportunity. Disclosure of secure test questions to the public thus "renders the materials worthless" to the testing agency, ETS v. Katzman, 793 F. 2d at 543, since testing agencies cannot use questions on which some students would enjoy an unfair advantage. As a district court explained in rejecting a coaching school's purported fair use defense, "[t]he very purpose of copyrighting the . . . questions is to prevent their use as teaching aids, since such use would confer an unfair advantage to those taking a test preparation course." Association of American Medical Colleges (AAMC) v. Mikaelian, 571 F. Supp. 144, 153 (E.D. Pa. 1983), aff'd, 734 F. 2d 6 (3d Cir. 1984).2/

In addition to destroying the value of secure tests and test questions, unauthorized copying of secure test materials can have still further harmful consequences: when test candidates have advance access to pirated copies of test questions before the actual administration, testing agencies have been forced -- in the interests of fairness to all test candidates -- to cancel the scores of those with advance knowledge. Score cancellations have been an unpleasant necessity both in

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2/ A leading American commentator on copyright law (and now high-level Copyright Office official) has made the same point: "In order to maintain the integrity of the admissions process and to ensure that all examinees have an equal opportunity to succeed based on ability, it is essential that [secure] tests not be copied." W. Patry, The Fair Use Privilege in Copyright Law 429 (1985).

infringement cases that have resulted in published decisions, e.g., ETS v. Katzman, 793 F. 2d at 536 (College Board Achievement Tests); AAMC v. Mikaelian, 571 F. Supp. at 154 (MCAT), and in a number of other cases. The risk of massive disruption of the testing process thus provides another important ground for rejecting the application of fair use to secure tests.

The courts' rejection of the application of fair use to secure tests has been based not on any rigid rule that there can be no fair use of unpublished works, but on the application of the statutory fair use factors to a type of copyrighted work that is uniquely vulnerable to copying. As the Third Circuit explained in ETS v. Katzman, the most important fair use factor -- effect on the potential market -- "seems dispositive in favor of [the testing agency]," 793 F. 2d at 543, since extensive distribution of secure test materials "renders [them] worthless." Id. The district court in Mikaelian made the same observation: "a use of the protected work which destroys the value of the protected work to the copyright holder can hardly be considered fair." 571 F. Supp. at 153.[3/]

The actions of the Copyright Office provide further support for the conclusion that secure tests are not subject to fair use. In light of the unique vulnerability of secure test materials, the Office has created special procedures to allow them to be registered without disclosing them to the public. See 37 C.F.R.

[3/] A recent decision to the same effect is Association of American Medical Colleges v. Cuomo, No. 79-CV-730 (N.D.N.Y. Jan. 12, 1990).

§ 202.20(c)(2)(vi). (The adoption of those regulations in 1978 made it possible, for the first time, for testing organizations to enjoy the benefits of copyright registration for their secure tests.) The Copyright Office regulations have been upheld against a statutory and constitutional challenge. National Conference of Bar Examiners v. Multistate Legal Studies, Inc., 692 F. 2d 478, 482-87 (7th Cir. 1982), cert. denied, 464 U.S. 814 (1983).[4/] Since secure tests must be protected even from inspection by potential test-takers at the Copyright Office, it follows a fortiori that unauthorized copying of secure tests cannot be a fair use.

Similarly, the Guidelines for Classroom Copying in Not-for-Profit Educational Institutions, which were incorporated as part of the legislative history of Section 107, explicitly forbid copying of "workbooks, exercises, standardized tests and test booklets and answer sheets and like consumable material." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 68, 69 (1976) (reprinting Guidelines). This prohibition on copying applies not merely to secure tests but to all standardized tests.

In short, secure tests -- whether they are regarded as "published" or "unpublished" works -- represent a unique type of copyrighted work that is not eligible for fair use under existing law. We stand ready to work with the Committees and their staffs to develop appropriate language to ensure that nothing in the present legislation will jeopardize this vital protection.

[4/] The Seventh Circuit recognized that "the beneficial purpose" of copyright protection for a secure test "would be defeated" by requiring secure tests to be placed on public file in the Copyright Office as a condition of registration. 692 F. 2d at 484 n.6.

American College Testing Program

College Entrance Examination Board

Educational Testing Service

Graduate Management Admission Council

Graduate Record Examinations Board

Law School Admission Council

National Council of Architectural Registration Boards

National Council of Examiners for Engineering and Surveying

Test of English as a Foreign Language Policy Council

July 9, 1990

Columbia University in the City of New York | *New York, N.Y. 10027*

SCHOOL OF LAW

435 West 116th Street

Hon. Robert Kastenmeier
Chairman, House Judiciary Committee
Subcommittee on Courts, Intellectual Property
And the Administration of Justice
2137 Rayburn House Office Building
Washington D.C. 20515

June 25, 1990

re: H.R. 4263

Dear Representative Kastenmeier:

I write concerning the recently proposed bill that would amend the fair use provision of the copyright act, 17 U.S.C. § 107, so as explicitly to include unpublished works. As a teacher and author in the domestic and international copyright fields, I strongly believe that this bill is unnecessary, is incompatible with the Berne Convention, and could cause far more mischief than the problem to which it responds. Because I will be out of the country on the July 11 hearings date for this bill, but hope my views may be of assistance to the Subcommittee, I respectfully request that this letter be made part of the record of debate on the bill.

I will address the following issues:

1. What is the problem to which this bill responds?

2. Why legislative prescription, rather than continued judicial elaboration, of the application of fair use to unpublished works is premature and undesirable;

3. Why this bill is incompatible with the Berne Convention;

4. Why enacting this bill would be self-defeating because it would create more uncertainty (and litigation) than currently exists.

1. What is the problem?

Recent pronouncements from the United States Court of Appeals for the Second Circuit in Salinger v. Random House[1] and New Era v. Henry Holt[2] have provoked concern that no unauthorized quotations of unpublished material will escape liability for copyright infringement. Some publishers and biographers fear that the threat of copyright injunctions will stifle research into and disclosure of facts of public interest when unpublished works, such as letters and diaries, are the source of the information. On closer examination, however, these fears are unfounded; they misapprehend both substantive copyright law, and the Second Circuit's own jurisprudence.

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[1] 811 F.2d 90, cert. denied, 108 S.Ct. 213 (1987).

Researchers and biographers remain fully entitled to learn, and to disclose, *facts* from any copyrighted source, be it published or unpublished. Copyright does not extend its protection to the facts themselves.[3] Although copyright does protect the manner in which the prior author expressed the facts, the fair use doctrine[4] permits a second-comer engaged in an enterprise such as a history or a biography to appropriate "minimal amounts"[5] of "expression". Indeed, the Supreme Court has held that a second author may take more than minimal amounts of expression so long as the quantum does not "exceed[] that necessary to disseminate the facts." *Harper & Row v. Nation Ents.*[6] This decision did make clear that appropriation of unpublished expression is less susceptible to excuse under the fair use doctrine, but nothing in the Court's opinion holds that such appropriations can never be excused.

Nor has the Second Circuit so held. It is worth recalling that the current clamor over fair use of unpublished works reacts primarily to dicta in a case in which the defendant disclosing the unpublished expression *prevailed*.[7] The court's elaboration of a fair use analysis, whether of

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[2] 873 F.2d 576 (2d. Cir.), *reh. en banc denied*, 884 F.2d 650, *cert. denied*, 58 USLW 3528 (U.S. Feb. 20, 1990).

[3] 17 U.S.C. sec. 102(b). *Accord*, *Harper & Row v. Nation Ents.*, 471 U.S. 539 (1985); Newman, *Not the End of History: The Second Circuit Struggles With Fair Use*, 37 J. Copyr. Soc 12, 14 (1989) ("No decision of our Court casts even the slightest doubt upon the fuindamental principle of copyright law that *factual content* may be copied, even though the facts are unearthed in unpublished writings.) (emphasis in original); Miner, *Exploiting Stolen Text: Fair Use or Foul Play?*, 37 J. Copyr. Soc. 1, 10 (1989).

[4] 17 U.S.C. sec. 107.

[5] *New Era*, *supra* note 3, 884 F.2d at 662.

[6] *Supra* note 3, 471 U.S. at 563-64.

[7] The author of the *New Era* panel majority opinion has himself characterized the excoriated pronouncements as "certain nondispositive language," *New Era*, *reh. denied*, 884 F.2d at 660, and as "dictum," Miner, *supra* note 3, 37 J. Copyr. Soc. at 6.

takings from works published or unpublished, is quite evidently evolving.[8] Careful analysis of the Second Circuit's doctrine reveals neither concensus nor even majority inclination to foreclose fair use of unpublished quotations.[9] Moreover, all the Second Circuit opinion authors have clearly declined to adopt a rigid rule regarding the most important practical issue affecting unauthorized publication of unpublished expression: even were the second author to exceed fair use standards (and therefore to incurr liability for copyright infringement), it would not follow automatically that an injunction should issue.[10]

2. Legislative prescription, rather than continued judicial elaboration, of the application of fair use to unpublished works is premature and undesirable

As the previous remarks indicate, the perceived problem for fair use of unpublished works stems from the dicta of one federal appellate judge (joined by three of twelve active judges), on one federal appellate court. Other federal appellate courts have yet to consider the question, and the court at issue has, rather obviously, yet to consolidate its own position on the matter. To enact a statute "overruling" this dicta would be a prodigal and counterproductive expenditure of legislative effort to regulate in an area particularly resistant to detailed legislative specification. It remains true that, despite its partial codification in the 1976 Copyright Act, fair use calls for a quintissentially fact-dependent, equity-sensitive judicial determination. Given these characteristics of fair use determinations, there is no force in the argument that even in the absence of a geniune problem in the courts, Congress should freight the fair use doctrine with additional explicit rules, guidelines or criteria. Congress certainly can in this manner attempt to extend special reassurance to timorous publishers. But, this bill will not in fact assist the interests that seek it, nor will it promote sound results in the copyright system generally.

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[8] Compare, Salinger, supra note 1, 811 F.2d at 96-97 (Newman, J. for unanimous panel including Miner, J.) (first fair use factor gives second-comer no special license to enliven account by copying "vividness" of expression), with New Era, supra note 2, 873 F.2d at 583 (Miner, J. for panel majority) (regarding the first fair use factor, rejecting distinction between uses "to display . . . writing style" and uses "to make a point about . . . character"), with New Era v. Carroll Pub., 1990 U.S. App. LEXIS 8726 (2d Cir. May 24, 1990) (Feinberg, J. for unanimous panel including Pratt and Walker, J.J., none of whom joined either opinion in New Era rehearing denial) (finding fair use of passages from published L. Ron Hubbard works, and in analyzing the first fair use factor, emphasized defendant's use of quotations for the purpose of criticizing Hubbard's character).

[9] The entire October 1989 issue of the Journal of the Copyright Society is devoted to Second Circuit pronouncements, on and off the bench, concerning fair use of unpublished works. In the opening sentence of his article contributing to this issue, Judge Miner acknowledges that quotations from unpublished works can be fair use, see 37 J. Copyr. Soc. 1, 1.

[10] See New Era, reh. denied, supra note 2, 884 F.2d at 661-12 (Miner, J.) ("All now agree that injunction is not the automatic consequence of infringement" and modifying panel majority opinion to reflect that agreement); Newman, supra note 3, 37 J. Copyr. Soc. at 16-17.

3. The bill is incompatible with the Berne Convention

As the United States' recent adherence to the Berne Convention demonstrates, it has become increasingly important to us as a nation of creators of copyrighted works to be part of the international copyright community. In joining the Berne Convention we acknowledged the need to secure and maintain harmony between our domestic copyright law and the standards that guide the wider international community. As we also acknowledged, these standards are high. We have had in some respects to modify our domestic law to afford the greater, or less cumbersome, protections our new international obligations demand.[11] In addition, our Berne membership underlies at least in part our continued exploration of legislation affording greater protections to creators, such as visual artists,[12] and architects.[13] Yet this bill would undercut our progress by introducing a gloss on the fair use doctrine that is at least in part incompatible with the Berne Convention.

The Berne Convention mandates protection of the reproduction right.[14] Article 10.1 of the treaty, however, allows member countries to qualify the reproduction right by permitting

> quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose . . .

This provision corresponds closely to our current fair use doctrine. But fair use under Berne is limited to works "lawfully made available to the public." This criterion is broader than "publication," but it does not encompass all unpublished works. Professor Ricketson has explained that a work which has been publicly performed, albeit "unpublished" (copies have not been publicly distributed), would qualify for the article 10.1 exception.[15] But the work must nonetheless have been publicly disclosed. Thus, as the authoritative WIPO Guide to the Berne Convention emphasizes in explaining the phrase "lawfully made available to the public," "unpublished manuscripts or even works printed for a private circle may not, it is felt, be freely quoted from; the quotation may only be made from a work intended for the public in general."[16] Thus, private papers kept in private hands, be they the author's or a private recipient's, are not works "intended for the public in general." A fair use exception reaching these kinds of works would therefore exceed the scope of the Berne article 10 exception.

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[11] See, e.g., Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988), secs. 4(a)(4) (replacing juke-box compulsory license with negotiated license); 7 (rendering notice of copyright optional).

[12] See, e.g., Visual Artists Rights Act of 1990, H.R. Rep. No. 2690, 101st Cong. 2d Sess. (1990).

[13] See, e.g., Architectural Works Copyright Protection Act of 19990, H.R. Rep. No. 3990, 101st Cong., 2d sess. (1990).

[14] See art. 9.1.

Another question concerns private papers deposited in libraries to which the public may obtain access (cf. Salinger). Are these "lawfully made available to the public" within the meaning of the treaty? The problem with library deposit concerns not so much the "lawfully" criterion of article 10.1, as the element of "making available to the public." The Berne Convention concept of "making available," albeit broader than the distribution of copies, still addresses affirmative dissemination of the work to "the public in general." When papers are deposited in libraries they are not disseminated; the public must come to the papers. This kind of access may be too passive to meet the article 10.1 standard. In effect, it would recast the article 10.1 requisite that the work have been "made available to the public" as a requirement that the work merely be "accessible" to the public. This may be a rather bold reinterpretation of the treaty.

Moreover, even assuming that the unpublished work need merely be accessible to the public, the additional article 10.1 concept that the work have been "intended for the general public" still would not be met. A recipient's or third party's deposit of papers does not supply an authorial intent to disclose that was lacking at the time the work was created. Of course, the author may subsequently develop such an intent, but in that case, the author should deposit the works herself, or they should be deposited with evidence of her consent that the works be made publicly accessible. As a result, unless the statutory incorporation of unpublished works into the fair use excuse were restricted to works technically unpublished, but publicly divulged by their authors, the U.S. would no longer be in compliance with the Berne Convention.

To the extent that a U.S. court may today apply a careful equitable analysis to particular facts to find fair use either of private papers, or of papers deposited in libraries without the authors' consent, our fair use doctrine may arguably already exceed Berne bounds. But enacting this bill would exacerbate our lack of compliance. It is one thing to leave room for fact-sensitive judicial discretion, and quite another to enact a statute which on its face invites conflict with our international obligations. We achieve the first objective by leaving the current section 107 unamended. We risk the second result by adopting the proposed amendment.

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[15] S. RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986 419 (1987).

[16] MASOUYÉ, GUIDE TO THE BERNE CONVENTION 58 (WIPO 1978)(emphasis supplied). The WIPO Guide also specifies that works made public pursuant to a compulsory license would meet the article 10 standard of works "lawfully" made available to the public. Id.

Arguably, Congress could determine that passage of the proposed amendment would so advance domestic copyright objectives, that it is worth flouting our Berne obligations. While I believe such a determination would be ill-considered and short-sighted, it is not necessary to debate the principle of trading off international good will against achievement of an equal or superior domestic benefit. This bill will achieve no domestic amelioration that could justify compromising our international copyright credibility.

4. Enacting this bill would defeat its own purpose by creating more uncertainty (and litigation) than currently exists

Congress should not amend the fair use provision of the Copyright Act unless:

1. The current uncertainty regarding unpublished works exceeds the uncertainty endemic to any fact-intensive test that is by nature "an equitable rule of reason;"[17] and

2. The proposed amendment would create substantial certainty, thus affording interested parties the guidance they currently lack.

As discussed above, the first criterion has not been met. Nor can this bill meet the second. As amended, the fair use provision's application to unpublished works permits such a variety of interpretations, it is impossible to conclude that uncertainty will be alleviated. On the contrary, further uncertainty will probably be spawned. Moreover, because the interests of affected groups vary so widely, it is unlikely that Congress will be able to agree upon any one of the myriad interpretations. Indeed, the legislative history so far accumulated already leads to conflicting conclusions regarding the meaning of the amendment.

The key uncertainty concerns what, if any, weight a work's unpublished status should receive under the amended fair use doctrine. The floor statements by Senator Simon and Representative Kastenmeier yield disparate interpretations. Where Senator Simon states that the bill is not "intended to render the unpublished nature of a work irrelevant to a fair use analysis under the four statutory factors, [and that] Courts would still consider the unpublished nature of a work,"[18] Representative Kastenmeier declares that the amendment "would clarify that section 107 applies equally to unpublished as well as published works."[19] While the latter statement may not be intended to mean that courts should ignore a work's unpublished nature, such a reading plausibly emerges. Even assuming that these two floor statements can be harmonized, and that a work's unpublished status is pertinent to the fair use balance, the statements, and the bill, nonetheless leave a plethora of questions:

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[17] See H.R. Rep. No. 94-1476, 94th Cong. 2d sess. at 65 (1976).

[18] Cong. Rec. S 3549 (March 29, 1990).

[19] Cong. Rec. H 806 (March 14, 1990).

1. If a work's unpublished status weighs in the fair use balance, in which direction, and how much, should it weigh? As a general matter:

    a. Should unauthorized publication be presumptively unfair (with defendant incurring a heavy burden to overcome the presumption)?

    b. Should unauthorized publication weigh slightly, but not strongly against fair use?

    c. Should unauthorized publication weigh in favor of fair use (on the ground that the public gains access to works it would otherwise be denied)?

2. With respect to each fair use factor, what is the impact of the work's unpublished status:

    a. Concerning the first factor (nature and purpose of defendant's use), should defendant be required to have made a more "productive" use of the unpublished material than defendant would have been required to make had the material been published?

    b. Concerning the second factor (nature of plaintiff's work), does the work's unpublished status automatically weight this factor in plaintiff's favor?

    c. Concerning the third factor (amount and substantiality of the taking), is defendant entitled to copy less when the work is unublished?

    d. Concerning the fourth factor (economic harm), defendant has deprived plaintiff of the right of first publication of her work (or portions of it):

        i. If plaintiff intended to publish the work, is economic harm thereby conclusively established?

        ii. If plaintiff did not intend to publish the work, does it follow that there can be no economic harm?

3. Should courts distinguish between unpublished works which their authors intend to divulge, and those to be kept private?

    a. If there is to be such a distinction, should to-be-divulged works be more or less susceptible to fair use? How much more or less susceptible?

b. If there is to be such a distinction, how imminent should the divulgation be?

4. Respecting works not intended for divulgaton, should courts weigh in the fair use balance the privacy interests of the author? Of the persons mentioned in the work (e.g., in letters or diaries)?

a. If privacy is not part of the fair use balance, is a separate state right of privacy claim available? Would such a claim be preempted?[20]

5. Should courts take into account the manner in which defendant came into possession of the unpublished work (e.g., if defendant obtained a "purloined manuscript[21]?")

6. Should courts take into account plaintiff's intention to "suppress" discussion of his life or activities?

Granted, all these questions already underlie the application of the unamended fair use doctrine to unpublished works. My point is that the bill will not make these questions go away. If anything, it will raise even more questions. It will raise more questions because litigants will argue, and courts may agree, that if Congress acted in this domain, Congress must have meant to change something. But, given the fluidity of judicial interpretation, and the wide range of potential problems, just what Congress meant to change will not be clear, much less how Congress meant to change it. Moreover, even if all Congress intended to do was to make clear that a work's unpublished status does not absolutely foreclose its fair use, confusion about the bill's meaning would still persist, because no court, nor even any individual judge, ever declared that such foreclosure existed. As a result, one could conclude either that the bill is gratuitous, or that Congress must have meant something more than to restate a proposition with which no one disagreed. But then, what more was meant? These questions and the others catalogued above should demonstrate that, at this time at least, the development of a fair use doctrine respecting unpublished works is best left to maturation in the courts.

Sincerely,

Jane C. Ginsburg
Associate Professor of Law

---

[20] Under the prevailing approach to preemption under section 301 of the 1976 Copyright Act, privacy claims might well be preempted because they address copyright subject matter (letters, etc.), and seek to enforce a right equivalent to rights under copyright (the rights to prevent reproduction and distribution of the work). *See, e.g.*, *Ehat v. Tanner*, 780 F.2d 876 (10th Cir. 1985), *cert. denied*, 107 S.Ct. 86 (1986), *Harper & Row v. Nation Ents.*, 723 F.2d 195 (2d Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985).

[21] See *Harper & Row*, *supra* note 3.

Senator SIMON. Our final panel is Mr. A.G.W. Biddle, the president of Computer and Communications Industry Associated and Mr. James M. Burger, the chief counsel of Apple Computer.

We are very pleased to have both of you here. Mr. Biddle, we will start with you.

PANEL CONSISTING OF A.G.W. BIDDLE, PRESIDENT, COMPUTER AND COMMUNICATIONS INDUSTRY ASSOCIATION [CCIA]; AND JAMES M. BURGER, CHIEF COUNSEL, GOVERNMENT, APPLE COMPUTER, INC., ON BEHALF OF THE COMPUTER AND BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION [CBEMA] AND THE SOFTWARE PUBLISHERS ASSOCIATION [SPA]

Mr. BIDDLE. Thank you, Mr. Chairman. Working on the premise that you earlier announced that our prepared statement will be entered in the record——

Senator SIMON. That is correct.

Mr. BIDDLE. I would like to step back as probably one of the few non-lawyers in this room and address this issue more, if I could, from the perspective of a businessman. I represent some 61 companies in the computer and communications industries that are involved with both hardware and software. As I look at the constitutional and congressional efforts to stimulate innovation, to advance knowledge in this country, we have, basically, come down to three bodies of law.

First, the patent law, which, in return for monopoly rents earned from an innovation, the innovator would disclose to the public what that innovation was and, in that process, encourage others to find new and better ways to accomplish a similar end result without violating the patent.

In the copyright arena, we protect the expression of ideas and first publication. But, in return, we acknowledge that if we are to advance knowledge, the underlying ideas and principles in the copyrighted work are in the public domain.

Third, you have trade secret where a corporation, under State law, can protect customer lists and other material of commercial value. Our industry really became involved with software copyright in 1980, as you well know. Since that time, we have seen an evolution of commercial practice in this industry.

If I can digress for a moment to the edge of the technology, not the body of it, in the early days of the industry, a computer programmer had to write instructions to the computer in a language that the machine could understand, a very costly, burdensome and time-consuming process.

Since that time, we have developed what are called higher level languages which are much more like English and you can instruct the computer to add this, store this, print that. However, the machine cannot understand that, so we have come up with an interim step called "object code," which is merely zeros and ones and is used as an intermediary between the instructions the programmer wrote and the instructions the machine can understand.

Classically, a software developer, manufacturer preparing software, would prepare it using the higher level English languagelike codes. But he would not distribute that to a customer. Rather, he would distribute a compiled version consisting of zeros and ones, something that even the most astute programmer would find exceedingly difficult to read and understand; the underlying principles of that "published work."

Where this becomes a problem is that as our industry develops, the consumer has begun to realize that he can no longer exist in a Tower of Babel where one vendor's product will not talk to or communicate with another vendor's product. Rather, he must have a means of being able to buy a word processing package from you, a data-base package from him, and have the belief and the hope that your information can be stored in his product and your information can be extracted from his product.

That has led to a very dynamic period in this industry where companies are developing products that compete with products already on the marketplace and developing products that interoperate with products in the marketplace.

So it is market-driven and customer-driven to bring about this interconnectivity and interoperability. However, the rub is that you can't glean the underlying principles and features and functions from the zeros and ones. To glean that information, you must first translate from the hieroglyphics back into a language you can read as a human being.

Some contend that that copying process, to translate from the zeros and ones to English language, is a copyright violation. Others would contend that it is not because it is not a published work.

The second circuit decision has raised some questions in our industry which could stifle the ability to employ the fair use doctrine in order to understand underlying principles and operating features and functions. To be able to understand them, we think, is key. Without the ability to understand how this product does what it does—not to copy it; not for piracy—but to understand the intellectual process involved, you must go through what is called reverse engineering.

If we do not permit that under copyright law, we create a situation where we have granted a monopoly to the copyright holder for this product and all adjacent products to it, because if I cannot find out how to talk to his product, if I don't know his area code, then I am isolated from being able to offer a product that works with his.

We think that would be devastating, both for our industry and for the consumer at large.

Thank you, Mr. Chairman.

Senator SIMON. Thank you.

[The prepared statement of A.G.W. Biddle follows:]

CCIA
Computer & Communications Industry Association
Washington, D.C. 20001
666 Eleventh Street, N.W., Sixth Floor
(202) 783-0070 Facsimile: (202) 783-0534

STATEMENT

OF

A.G.W. BIDDLE

PRESIDENT

COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION

ON

H.R. 4263 AND S. 2370

BEFORE THE

HOUSE JUDICIARY SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE

THE ADMINISTRATION OF JUSTICE

AND

SENATE JUDICIARY SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

JULY 11, 1990

Mr. Chairman, Members of the Senate and House Committees, we appreciate this opportunity to present our views with respect to H.R. 4263 and S. 2370. The Computer & Communications Industry Association (CCIA) is comprised of manufacturers and providers of computer, information processing, and communications-related products and services. Ranging from young entrepreneurial firms to many of the largest in the industry, CCIA's 61 member companies collectively generate annual industry-derived revenues in excess of $155 billion and employ over 1,000,000 people.

The legitimate protection of intellectual property, particularly copyrighted computer software, from outright copying for commercial gain is a bottom line issue of critical importance to our industry and our member companies. In this our views are not unlike those of motion picture and record companies. We do not, however, believe that the copyright laws should be extended in a manner which prevents the legitimate study and analysis of the underlying ideas, principles, functions and procedures of the copyrighted work.

In principle, CCIA supports H.R. 4263 and S. 2370 because we believe that the proposed legislation will serve to clarify section 107's coverage of unpublished, as well, as published works. Until Section 107 is clarified some companies will argue that copyright law not only protects expression but can be used to hide the ideas and principles underlying a computer program. This is because they believe that computer software can be publicly distributed without true "publication." Recent cases which have prompted this hearing have suggested that the fair use doctrine has limited applicability to unpublished works.

As Members of these Committees know, computer programs differ from other copyrighted works, not only in their essential functionality, but also in the manner by which the product is delivered to the customer. Although the software is originally written in source code (a higher level language like "Basic", "Cobol" or "C"), it is generally made available in the marketplace in a compiled machine language version that consists of 1s and 0s. This is commonly referred to as "object code". "The quote published" object code version is generally incomprehensible and must be converted into a higher language before study and analysis is possible. And herein lies the problem. A qualified software expert can "read" source code and glean from it the underlying ideas and principles being performed. He or she can then independently develop a hardware or software product that is compatible with and/or can interoperate with the original. However the english-like language version of the original software, source code, is deemed by some to be an unpublished work to which fair use principles do not apply. It is the object code version that is published and copyrighted — a version that defies the study and analysis required to develop a compatible or interoperable offering.

Both the consumer and competition suffer if the underlying principles and ideas in a copyrighted software product are insulated from public reach. If the product of one computer or software manufacturer is to work with the product of another manufacturer, then the products must be able to communicate. This communication between the "installed product" and the compatible product requires that the competing manufacturer know the functional specifications governing the points of entry to the "installed" hardware or software, just as an individual must know the area code if he or she wishes to reach someone by telephone in a different state. Furthermore, a manufacturer of compatible computer products must know the functional specifications of the installed product if that vendor wishes to create its own noninfringing computer program. As one example, consumers have benefited from the availability of IBM compatible personal computers (PCs). Prices have dropped even though performance has improved. This situation is driven in large part by the fiercely competitive nature of the PC business. However, without the type of study and analysis we are now attempting to preserve, the creation of the compatible PC would have been much more costly and difficult, if not impossible. If software copyright protection is allowed to take on the characteristics of patent protection, we will not only be granting monopoly power over the product of the copyright holder — we will also be granting him monopoly power over all adjacent hardware and software products — since the mere achievement of compatibility would almost be prima-facie evidence of a copyright violation. I do not believe that this is the intent of the framers of our intellectual property laws.

Three bodies of intellectual property law are available to protect computer programs — copyright, patent and trade secrets. Each body of law has traditionally ensured free access to ideas by balancing the incentives needed to make a product against the public's overriding interest in access to ideas. Copyright law allows — indeed encourages — competitors to analyze marketed works such as textbooks and fabric designs in order to extract the unprotectable ideas and principles and to incorporate these elements in noninfringing products of their own. Patent law requires full disclosure of a product's operative elements as a condition of the granting of a patent. Trade secret law allows the "reverse engineering" of marketed products to determine their underlying, functional ideas.

Until the special considerations relating to computer software arose, copyright and trade secret law coexisted in relative harmony. But computer technology, taken together with the desire of some vendors to monopolise the unprotectable ideas and principles contained in a computer program to make it more difficult for others to attach compatible products to compete with or augment and enhance the products of the original manufacturer, is in danger of altering this carefully struck balance. Copyright law should not be turned on its head so that it not only correctly protects expression but also provides a way to hide the underlying principles and ideas which are not protectable.

As mentioned above, computer manufacturers and software vendors generally disseminate their programs only in the form of copyrighted object code; they strongly guard source code as a trade secret. To understand the functional specifications hidden in the source code, a user will often have to copy the object code as an initial step toward deciphering the program's functional specifications. But if copyright law prohibits making a copy for this limited purpose, the program's functional specifications -- its unprotectable ideas — would remain secret, preventing the introduction of noninfringing computer products and ultimately reducing consumer choice.

CCIA believes that the recent U.S. Court of Appeals for the Second Circuit decisions which have prompted this legislation do not, in fact, restrict our ability to decipher a program's functional specifications for two reasons. First, we agree with the view articulated by the one of the foremost authorities on copyright, the late Melville Nimmer, that the publication of a derivative work -- in this case, the object code -- constitutes a publication of the underlying work, in this example, the source code. The source code, from a legal perspective, is a published work and, accordingly, the Second Circuit holdings simply do not apply. Second, in the process of deciphering the functional specifications, a copy is not made of the original source code, but only of the published object code. Although, one may be required to "decompile" the object code back into source code, this new source code is a derivative of the published object code, and often looks quite different from the original source code. If, however, slavish copying were to result in a substantially similar commercial product then a copyright infringement would certainly be found.

Although certain companies which seek to prevent others from uncovering the functional specifications of their programs contend that the Second Circuit decisions support their efforts to conceal unprotectable ideas, we do not believe this is the case and your proposed legislation should clarify this misinterpretation.

CCIA believes that computer manufacturers must be free under the fair use doctrine to make an intermediate, transitory copy of the object code -- not for the purposes of piracy but rather to discover the uncopyrightable, functional specifications contained in the source code as the first step in producing computer programs that themselves violate neither copyright nor trade secret law. Section 107 works a delicate balance under which we believe that the study and analysis of what might be considered "unpublished" source code is subject to fair use defense like all other literary works. The proposed legislation will help ensure that this balance is not disturbed and that unprotectable ideas remain where over 100 years of copyright law have placed them — in the public domain.

As important as H.R. 4263 and S. 2370 are, Mr. Chairman, we feel constrained to observe that events occurring outside the immediate purview of your Subcommittees may soon undo the carefully crafted measure that you propose and, indeed, may significantly alter the fair use doctrine itself. As you know, intellectual property law is one of the subjects of the current Uruguay Round of GATT negotiations. As I am sure Members of these Committees are also aware, the United States Trade Representative (USTR) has recently introduced its long-awaited proposal on Trade-Related-Aspects-of-Intellectual-Property. Article 6 of that proposal reads as follows:

> "Contracting parties shall confine any limitations or exceptions to exclusive rights (including any limitations or exceptions that restrict such rights to "public" activity) to clearly and carefully defined special cases which do not impair an actual or potential market for or value of a protected work."

Article 6, if accepted under the GATT and enacted into U.S. law, would significantly change section 107 of the U.S. Copyright Act, and the century of judicial decisions that it embodies, by omitting the other three factors in the fair use equation: the purpose of the use, the nature of the copyrighted work, and the substantiality of the portion used in relation to the copyrighted work as a whole. Thus, the USTR proposal would significantly narrow the scope of the fair use exception. Indeed, if enacted into U.S. law, Article 6 would undo the many carefully-tailored exemptions that you and your Subcommittees crafted in sections 108-119 to ensure that the 1976 Copyright Act properly balances the copyright monopoly against the public interest.

CCIA is concerned that the USTR proposal is moving very quickly and we would hope that your Committees will ensure that Congress' commitment to fast-track legislation implementing trade decisions reached in the Uruguay Round will not overrule longstanding principles of U.S. copyright law as well as the other carefully-wrought compromises embodied in the 1976 Copyright Act.

In conclusion, Mr. Chairman, CCIA believes that the legislation before you represents an important step in the direction of ensuring that technological and marketing constraints unique to the computer software will not impair public access to unprotectable functional ideas. We would be happy to answer any questions you may have.

Senator SIMON. Mr. Burger.

STATEMENT OF JAMES M. BURGER

Mr. BURGER. Mr. Chairman, Chairman Kastenmeier, my name is Jim Burger. I am chief counsel, Government, for Apple Computer. I am here representing the Computer and Business Equipment Manufacturers Association, CBEMA, and the Software Publisher's Association, SPA.

CBEMA has some 28 members who do both hardware and software manufacturing and publishing. The 1989 sales of CBEMA were $250 billion, or 4.8 percent of the U.S. gross national product. SPA has some 675 members who really comprise the PC software industry in this country. In 1989, their estimated sales were something like $3.1 billion.

Between our two organizations, we really represent the spectrum of the computer industry from the very tiny software publisher to the large computer mainframe manufacturer. CBEMA and SPA are very concerned about this legislation as, frankly, we would be about any legislation that would alter the current fair use balance.

This legislation undermines copyright protection for unpublished business and technical works. This is particularly true of those works while they are in a developmental stage and have not been published in any format. Personally, we don't think the legislation is necessary. We don't read a per se rule in the second circuit decision or, frankly, anywhere else against the use of unpublished material.

As Ms. Ringer put far better than I ever could, section 107 is a codification of centuries of case law. I really pause to think we are going to reformulate that merely on the nondispositive statements of some very learned judges in the second circuit. Those were not rulings, as was alleged earlier. They are mostly dicta.

I want to emphasize, though, here, very importantly, that we, in no way, want to suppress facts or ideas. It is clear the copyright does not protect facts or ideas. The issue, here, is the free-taking of unpublished expression, that which copyright does protect.

Assuming that the supporters' concerns are valid, and we have heard a lot of concerns today, they are very narrow concerns. The bill is far broader. As Ms. Ringer said, it affects all intellectual property under the copyright law, and we feel the bills obscure a very important distinction between published and unpublished material.

The legislation on its face, at least in our interpretation, appears to make them equal. The bills undermine the author's first right of publication. The author has the right to decide when, where, what, how to publish the work and we feel that the legislation cuts back on centuries of the distinction between published and unpublished works.

Frankly, it does threaten things other than this very narrow area, admittedly an important one; I enjoy reading those books—but a very narrow area. It just spans the entire area. It threatens a lot of confidential business and technical works of all kinds.

CBEMA and SPA members do publish software, but our concerns are not unique to our industry, and they are definitely not limited to software. Like all businesses, our members have all kinds of unpublished works that would be affected. For example, present projected marketing plans and data, advertising plans in the formulative stage, other confidential business plans and strategies, blueprints, technical narrations of new and proposed products which, in our case, would be hardware and software.

All of that would be exposed to this rule, and I don't think any testimony here today goes to that. It goes, again, to a very narrow area.

Many computer programs are unpublished and, thus, subject to an expanded legislative fair use provision. Many of our members do rely on trade secrets as well as copyright for protecting computer programs in other confidential business and technical works. Trade secrets can't replace copyright for this protection.

As I have said in my written statement, and I won't go into detail now, we feel that it violates the Berne Convention. Let me be clear. We are not here seeking any special exemption for confidential business and technical works including computer programs. We don't think the legislative history can fix our problem.

What we suggest, and I think Ms. Ringer has suggested as well, is let the proponents tailor legislation to exempt themselves. It is a narrow area. They genuinely seem to have a problem here. Let them come up with some narrow legislation that solves their problem. The bill, here, is too broad.

The proponents haven't shown any cases outside, again, of their very narrow area. We don't think it is fair to weaken protection for all works because of a problem a narrow area of works have. We are willing to work with you, Mr. Chairman, and members of the two committees to come up with a bill that will help this particular industry.

But we can't support legislation that unnecessarily subjects to risk our vast body of confidential business and technical material.

I want to thank you very much for giving us the opportunity to present our views to this committee. We would be pleased to provide any further assistance to your committees on this issue. Now, I would be happy to respond to any of your questions.

Thank you.

[The prepared statement of Mr. Burger follows:]

STATEMENT OF JAMES M. BURGER,
CHIEF COUNSEL, GOVERNMENT, OF APPLE COMPUTER, INC.
ON BEHALF OF
THE COMPUTER AND BUSINESS EQUIPMENT MANUFACTURERS
ASSOCIATION (CBEMA)
AND THE
SOFTWARE PUBLISHERS ASSOCIATION (SPA)
ON S.2370 AND H.R.4263

BEFORE THE

SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
AND THE
SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY
AND THE ADMINISTRATION OF JUSTICE
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES

JULY 11, 1990

SUMMARY OF THE STATEMENT OF JAMES M. BURGER, CHIEF COUNSEL, GOVERNMENT, OF APPLE COMPUTER, INC. on behalf of CBEMA and SPA

on S.2370 and H.R.4263

July 11, 1990

CBEMA and SPA members are very concerned about the proposed legislation, S.2370 and H.R.4263. The legislation would undermine copyright protection for unpublished confidential business and technical works, especially works under development.

The proposed legislation is unnecessary. There is clearly no "per se" rule against fair use of unpublished works in the Second Circuit. Long-settled copyright doctrine should not be reformulated on the basis of dicta in a couple of cases.

The proposed legislation would obscure the traditional distinction between published and unpublished works in fair use analysis. It would undermine an author's right to decide whether and under what circumstances to publish his works, and cut back on protection for unpublished works that has existed since long before the 1976 Copyright Act.

Unpublished confidential business and technical works of every kind could be threatened by this legislation, including marketing programs, advertising campaigns in the planning stage, blueprints, confidential business plans and strategies, and technical and narrative descriptions of new or proposed products, including hardware and software.

Many computer programs are unpublished and therefore would be subject to more liberal fair use under the legislation. While many of our members rely on trade secret protection as well as copyright, trade secret protection cannot take the place of copyright.

We are not seeking a special exemption from this legislation for confidential business and technical works, including computer programs.

We believe it is more appropriate for the proponents of this legislation to tailor an exemption for themselves to respond more precisely to the specific concerns that the recent Second Circuit cases have raised for them, rather than to seek legislation that sweeps far more broadly than those cases conceivably justify, and thereby weakens protection for all unpublished confidential business and technical works.

Table of Contents

Page

I. Introduction 1

II. The Proposed Legislation is Not Justified by the Case Law. 3

- A. The fair use provision of the 1976 Copyright Act. 3
- B. Harper & Row v. Nation Enterprises 5
- C. Salinger v. Random House, Inc. 7
- D. New Era Publications International, ApS v. Henry Holt & Co. 9
- E. Conclusions from the Cases. 12

III. The Proposed Legislation is Overbroad. 16

- A. The bills would obscure the distinction between published and unpublished works in fair use analysis. 17
- B. The bills would undermine an author's right of first publication. 17
- C. The bills would jeopardize confidential business and technical works. 19
- D. The bills would jeopardize unpublished computer programs. 20
- E. Trade secret protection cannot take the place of copyright. 22

IV. The Proposed Legislation Would Hurt U.S. Efforts to Achieve Strong International Protection for Works of U.S. Authors. 24

- A. The proposed legislation may conflict with the Berne Convention. 24
- B. The legislation could undermine the U.S. position in international negotiations. 27

V. Conclusion 28

I. Introduction

I am James M. Burger, Chief Counsel, Government, for Apple Computer, Inc. I am here today on behalf of The Computer and Business Equipment Manufacturers Association (CBEMA) and the Software Publishers Association (SPA).

CBEMA is a trade association with 26 members which represents the leading edge of high technology companies in the computer, business equipment and telecommunications industry in the United States. CBEMA members had combined estimated sales of more than $250 billion in 1989, representing about 4.8% of the U.S. gross national product.

SPA is a trade association with 675 members which represents the PC software industry both in the United States and throughout the world. SPA member companies publish innovative programs for the business, education and leisure markets. These companies had combined estimated sales of more than $3.1 billion in 1989 and by all projections, will experience continued growth during the coming years.

Many CBEMA and SPA members, in addition to their other activities, have significant book publishing operations.

CBEMA and SPA have significant concerns about the proposed legislation, H.R.4263 and S.2370, or about any legislation that would broadly alter the scope of fair use as it applies to unpublished works. We are particularly concerned that the legislation would undermine copyright protection for unpublished confidential business and technical works, especially works comprising or related to products under development.

In our view, the proponents of this legislation have failed to meet their "burden of proving that the change is necessary, fair and practical."[1] The legislation does not appear necessary. It is unfair to the owners of copyright in unpublished works. And it is impractical, since it does not address those limited issues on which there is disagreement in the Second Circuit.

At the outset, we believe one point deserves emphasis. The suppression of ideas or facts is not at issue here. Copyright protection does not extend to ideas or facts. The real issue is how freely one may take the unpublished copyright-protected expression of another.

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[1] Kastenmeier, "Copyright in an Era of Technological Change: A Political Perspective," 14 Colum.-VLA J. L. & Arts 1, 6 (1989) (footnote omitted).

II. The Proposed Legislation is Not Justified by the Case Law.

Proponents of this legislation contend that recent Second Circuit decisions -- in particular, Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.), cert. denied, 484 U.S. 890 (1987), and New Era Publications International, ApS v. Henry Holt & Co., 873 F.2d 576 (2d Cir.), rehearing en banc denied, 884 F.2d 659 (2d Cir. 1989), cert. denied, 110 S.Ct. 1168 (1990) -- have established a virtual per se rule against fair use of unpublished works, necessitating legislation. In order to dispel misconceptions about what those cases actually say, we believe that it is important to summarize briefly the relevant history of section 107 and the pertinent cases.

A. The fair use provision of the 1976 Copyright Act.

The fair use doctrine has existed in our copyright law for more than a century and a half. See Folsom v. Marsh, 9 Fed. Cas. 342 (C.C.D. Mass. 1841)(No. 4,901). It was codified in section 107 of the 1976 Copyright Act, which provides:

> "Limitations on exclusive rights: Fair use
>
> Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for

> classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include --
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work."

Prior to January 1, 1978 (the effective date of the 1976 Copyright Act), copyright protection was provided under a dual system of federal and state law, depending on whether the work at issue was "published." As one distinguished commentator explains: "Based on the author's common law 'right of first publication' case law in this 'pre-unification' era uniformly held that fair use could not be made of unpublished and undisseminated works." Patry, W., The Fair Use Privilege in Copyright Law 123 (1985) (footnotes omitted); see Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law 40 (1961). When a unitary federal system of copyright was proposed during the process of revising the copyright law, it became necessary to consider not only the scope of fair use generally but its specific effect on unpublished works.

In passing the 1976 Act, Congress indicated that its purpose was "to restate the present judicial doctrine of fair use, not to change, narrow or enlarge it in any way." S. Rep. No. 94-473, 94th Cong., 1st Sess. 62 (1975) ("Senate Report"). Concerning unpublished works specifically, Congress made clear its intention that the fair use doctrine should continue to be narrowly applied:

> "The applicability of the fair use doctrine to unpublished works is narrowly limited since, although the work is unavailable, this is the result of a deliberate choice on the part of the copyright owner. Under ordinary circumstances the copyright owner's 'right of first publication' would outweigh any needs of reproduction. . . ."

Senate Report at 64; see H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 67 (1976) ("House Report").

B. *Harper & Row v. Nation Enterprises*

In *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), the Supreme Court addressed the fair use doctrine as it applied to unpublished works. That case dealt with the use of excerpts from President Ford's as yet unpublished memoirs,' in an article in *The Nation* magazine intended to "scoop" their authorized scheduled release in *Time* magazine. The 2250 word article in *The Nation* contained 300-400 words consisting of verbatim quotes from the manuscript. The Court, after applying and weighing the four statutory fair use factors, held that the taking went beyond what was permitted under fair use.

The Court observed that "fair use traditionally was not recognized as a defense to charges of copying from an author's as yet unpublished works." 471 U.S. at 550-51. The Court noted, however, that this "absolute rule" was "tempered in practice by the equitable nature of the fair use doctrine." *Id*. at 551. The Court went on to state:

> "[It] has never been seriously disputed that 'the fact that the plaintiff's work is unpublished . . . is a factor tending to negate the defense of fair use.' Publication of an author's expression before he has authorized its dissemination seriously infringes the author's right to decide when and whether it will be made public, a factor not present in fair use of published works." *Id.* (citations omitted).

The Court rejected *The Nation*'s contention that Congress intended fair use to apply, *in pari materia*, to published and unpublished works, noting that first publication is inherently different from other rights under section 106 of the Copyright Act. *Id*. at 552-53. The Court concluded: "The unpublished nature of a work is '[a] key, though not necessarily determinative, factor' tending to negate a defense of fair use." 471 U.S. at 554 (*quoting* Senate Report at 64).

C. Salinger v. Random House, Inc.

Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.), cert. denied, 484 U.S. 890 (1987), involved the use of unpublished letters of J.D. Salinger (reclusive author of Catcher in the Rye and other works) in a scholarly biography. The Second Circuit, in an opinion written by Judge Newman, concluded based on Harper & Row that the unpublished nature of the letters was entitled to "special emphasis." 811 F.2d at 96.

The court considered each of the four fair use factors in turn. It found that the first fair use factor, the purpose of the use, weighed in favor of the biographer since the book was properly considered "'criticism,' 'scholarship,' and 'research.'" Id. However, the court rejected the notion that a biographer is entitled to special consideration, explaining that the biographer has "no inherent right to copy the 'accuracy' or the 'vividness' of the letter writer's expression." Id. According to the court: "The copier is not at liberty to avoid 'pedestrian' reportage by appropriating his subject's literary devices."[2] Id. at 97.

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[2] As Judge Miner points out in a recently published article: "If you can lift the word images and stylistic (Footnote Continued)

The court concluded that the second fair use factor weighed "heavily" in favor of Salinger. Based on the Supreme Court's observation in Harper & Row that "'the scope of fair use is narrower with respect to unpublished works'" (id., quoting Harper & Row, 471 U.S. at 564), the Second Circuit concluded: "Narrower 'scope' seems to refer to the diminished likelihood that copying will be fair use when the copyrighted material is unpublished." 811 F.2d at 97 (emphasis in original).

The court found that the third factor, the amount and substantiality of the portion used, also weighed heavily in favor of Salinger. There were 59 instances of either direct copying or close paraphrasing from Salinger's letters. The court pointed out that the copying represented "at least one-third of 17 letters and at least 10 percent of 42 letters," and that the use of this material "'exceeds that necessary to disseminate the facts.'" Id. at 98 (quoting Harper & Row, 471 U.S. at 564). The court stated: "We seriously doubt whether a critic reviewing a published collection of the letters could justify as fair use the

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(Footnote Continued)
devices of J.D. Salinger, why bother creating your own?" Miner, "Exploiting Stolen Text: Fair Use or Foul Play?," 37 J. Copyright Soc'y 1, 5 (1989).

344

extensive amount of expressive material Hamilton has copied." Id. at 100.

Finally, the court concluded that the fourth factor -- the effect on the market for the copyrighted work -- weighed "slightly" in Salinger's favor, concluding that "some impairment" of the market was likely. Id. at 99.

Based on its holding that three of the four fair use factors favored Salinger, the court directed issuance of a preliminary injunction barring publication of the biography in its present form.

D. New Era Publications International, ApS v. Henry Holt & Co.

New Era Publications International, ApS v. Henry Holt & Co., 873 F.2d 576 (2d Cir.), rehearing en banc denied, 884 F.2d 659 (2d Cir. 1989), cert. denied, 110 S.Ct. 1168 (1990), also involved a biography, this time of L. Ron Hubbard, founder of the Church of Scientology. The book, Bare-Faced Messiah, used both published and unpublished materials by Hubbard, but the appeal concerned only the quotations from Hubbard's unpublished works. There were 132 alleged instances of unauthorized quotations from Hubbard's unpublished works -- principally from diaries, but also from letters -- of which the district court (Judge Leval) found that the great majority were fair use or otherwise noninfringing, but that 41 were not fair use. The district court thus found in favor of plaintiff, but declined to enter an injunction because, inter alia, it would deprive the public of an important historical study.

On appeal, a Second Circuit panel affirmed the district court's decision to deny plaintiff a permanent injunction, but concluded that the denial was justified solely on the ground of laches.[3] (New Era had been aware that the book would be published in the U.S. for two years before it sought a temporary restraining order.) The court disagreed with much of the district court's analysis. As in Salinger, the Second Circuit weighed each of the four fair use factors and found that three of the four factors favored plaintiff.

The court found that the first factor, the purpose of the use, favored the publisher but did not entitle it to "any special consideration." 873 F.2d at 583. In applying the first fair use factor, the court found "unnecessary and unwarranted" any distinction between "the use of an author's words to display the distinctiveness of his writing style and the use of an author's words to make a point about his character." Id. (Such a distinction was advanced by Judge Leval in the district court and Judge Oakes in his concurring opinion.)

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[3] Judge Miner wrote for himself and Judge Altimari; Judge Oakes concurred in a separate opinion.

Citing Salinger for the proposition that "unpublished works normally enjoy complete protection," the court found that the second factor weighed heavily in plaintiff's favor. Id.

The court agreed with the district court's analysis of the third fair use factor and with its finding that there was "a substantial amount of taking." Id. Finally, the court concluded that the fourth fair use factor favored plaintiff, because some impairment of the market was likely. Id.

Although Holt was the prevailing party it nevertheless sought en banc review of the panel's decision, which was denied by a 7-5 vote of the active members of the court. However, as discussed below, two opinions filed in connection with the denial of en banc rehearing serve to

347

clarify certain points about the views of some of the judges in the Second Circuit on these issues.[4]

E. Conclusions from the Cases.

It is evident that the unsettled state of the law in the Second Circuit has been exaggerated. A review of Salinger and New Era demonstrates the following:

First: The holding of the Second Circuit's decision in New Era is that laches bars the entry of a preliminary injunction. Most of the court's discussion is merely dicta, as pointed out by Judge Oakes in his concurring opinion (873 F.2d at 585) and Judge Miner in his opinion on the denial of rehearing (referring to "certain nondispositive language", 884 F.2d at 660).

Second: There is no per se rule against fair use of unpublished materials in the Second Circuit. As Judge Miner states in his opinion concurring in the denial of en banc rehearing:

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[4] Judge Newman wrote an opinion dissenting from the denial of en banc rehearing, joined by Judges Oakes, Kearse and Winter (884 F.2d at 662); Judge Miner wrote an opinion concurring in the denial, joined by Judges Meskill, Pierce and Altimari (884 F.2d at 659).

> "It is heartening to note that the dissenters 'are confident that [the panel majority] has not committed the Circuit to the proposition that the copying of some small amounts of unpublished expression to report facts accurately and fairly can never be fair use.' This confidence is not misplaced, of course, because there is nothing in the panel majority that suggests otherwise! Indeed, the panel majority does not even bar the use of 'small amounts of unpublished expression' to enliven the text.'" 884 F.2d at 661.

It is unquestionably true that the Second Circuit has acknowledged the traditionally higher standard for fair use of unpublished works than for published works. However, that is fully consistent with the legislative history of section 107 and with the Supreme Court's decision in Harper & Row. It is equally clear, however, that no per se rule against fair use of unpublished works has been established in the Second Circuit. Indeed, such a rule has been expressly disavowed by both the author of the Salinger opinion, Judge Newman, and the author of the New Era opinion, Judge Miner, and by the six judges who joined in their respective opinions in connection with the en banc rehearing.

Third: The focus on the unpublished nature of the works at issue in Salinger and New Era and the weight given by the court to this factor obscured the fact that in both cases two of the three remaining fair use factors -- the amount and substantiality of the use, and the effect on the market -- also weighed against a finding of fair use. In both cases, the amount and substantiality of the use was significant. In *Salinger*, the court questioned whether the amount of Salinger's letters taken would have been fair use even if they'd been published. 811 F.2d at 99. In *New Era*, there were 41 passages from Hubbard's unpublished works that were unfairly used, according to the district court (and apparently another 91 that the court found were non-infringing or fair use). Judge Miner observed that "[a] different finding on the 'amount and substantiality' fair use factor in the case at bar well might have dictated the same outcome in the case were laches not available as a defense." 884 F.2d at 661.

Fourth: Members of the Second Circuit are apparently in agreement that an injunction is not an inevitable consequence of infringement, and that equitable considerations are always relevant in determining the appropriateness of an injunction. 884 F.2d at 661, 663-64.

Fifth: The primary area of *dis*agreement in the Second Circuit seems to be whether, in evaluating the purpose of the use, it is appropriate to distinguish between copying to prove a character trait or other fact, and copying to "enliven text." Some judges feel that the "purpose of the use" factor should weigh more heavily in favor of the biographer in the former case; others apparently believe that such a distinction is unwarranted.

However, this difference was not dispositive in either Salinger or New Era. In both cases, the court found that the "purpose of the use" factor favored the defendant, but that the remaining three factors favored plaintiff. Moreover, as pointed out, the entire fair use discussion in New Era was dicta.

In light of the above, we seriously question whether any legislation is appropriate. In our view, it is premature to burden the legislative process with an unnecessary exploration of new formulations of a 150-year old doctrine on the basis of nondispositive statements made by some of the judges in the Second Circuit. Although some uncertainty may exist, particularly as to the fifth point cited above, certainty cannot be achieved with regard to an equitable doctrine like fair use, which requires flexibility in its application.

However, we recognize that some authors and publishers of biographies and histories perceive these cases differently, and are concerned about them.[5] We therefore would not oppose a legislative attempt to respond specifically to their concerns, if it can be done in a sufficiently precise manner so that it does not affect adversely the interests of all others. We do, however, oppose these particular bills for the following reasons.

III. The Proposed Legislation is Overbroad.

The proposed legislation is far broader than necessary to achieve its proponents' expressed goals. Moreover, we fail to see how the legislation as drafted would clarify the law with respect to unpublished works. Rather than focusing precisely on the particular concerns that prompted it, the legislation sweeps so broadly that it would weaken protection for unpublished works of every kind. We are particularly concerned that this legislation would increase the vulnerability of trade secret and other confidential business information to unauthorized takings.

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[5] We are not here on behalf of those individual authors who have written letters and diaries not intended for publication or drafts of works still "in progress," but we suggest that it is inaccurate to view the legislation as favored by some monolithic interest group of "authors."

A. The bills would obscure the distinction between published and unpublished works in fair use analysis.

The bills would distort the application of long-standing fair use principles by obscuring the distinction between published and unpublished works in determining the scope of fair use. Contrary to the Supreme Court's decision in Harper & Row, 471 U.S. at 552, and the legislative history of the 1976 Copyright Act, this legislation could be interpreted to require that fair use be applied *in pari materia* to published and unpublished works. We do not mean to suggest that Congress cannot override that decision and its own legislative history; of course it has that power. We do urge, however, that precisely the same reasons that prompted the Supreme Court and this Congress to conclude that fair use should not apply equally to published and unpublished works still exist -- nothing has changed that would justify this broad legislation.

B. The bills would undermine an author's right of first publication.

Implicit in the author's right of first publication is the right of the author, as creator of the work, to maintain control over the work while it is being developed and revised prior to public appearance, the right to determine how the work will make its first public appearance -- and, of course, the right not to publish the work at all. The bills would undermine the right of first publication by allowing more liberal use of an author's unpublished expression. They would cut back on protection for unpublished works that was in existence long before the 1976 Copyright Act.

The proponents offer little justification for so significant a departure from traditional fair use principles. This legislation will bring no greater certainty to the application of fair use to unpublished works. Nor will it serve First Amendment interests. As discussed earlier, biographers and historians are free to use the ideas and facts contained in an author's unpublished works. It is only the author's expression that is protected by copyright. The court in Salinger explained:

> "To deny a biographer like Hamilton the opportunity to copy the expressive content of unpublished letters is not, as appellees contend, to interfere in any significant way with the process of enhancing public knowledge of history or contemporary events. The facts may be reported. Salinger's letters contain a number of facts that students of his life and writings will no doubt find of interest, and Hamilton is entirely free to fashion a biography that reports these facts. But Salinger has a right to protect the expressive content of his unpublished writings for the term of his copyright, and that right prevails over a claim of fair use under 'ordinary circumstances.'" 811 F.2d at 100 (quoting Harper & Row, 471 U.S. at 555).

Moreover, as Judge Newman has observed:

> "[T]he protection of the First Amendment does not belong exclusively to those who wish to expose the

> contents of other people's writings to the world. Those people who first commit their own thoughts to paper also have First Amendment rights including the right not to speak and its necessary corollary, the right not to publish."[6]

See Harper & Row, 471 U.S. at 559. Indeed, permitting broader taking of expression in unpublished works could be counterproductive: authors and their heirs may be reluctant to make their papers available for research if the expression contained in them is subject to more liberal fair use. The public would be the loser, since it would be deprived of access even to the ideas contained in those papers.

C. The bills would jeopardize confidential business and technical works.

The bills would abrogate the right of an author (whether an individual or a company) to determine whether and under what circumstances a work -- especially a confidential business or technical work -- will first be published or commercialized. Marketing programs, advertising campaigns in the planning stage (including the related graphics and copy) and blueprints are among the works that could be affected. Technical works in the development stages would be especially vulnerable to a broader scope of fair use. Among the works our industry is particularly concerned about are confidential business plans and strategies, and technical and narrative descriptions of new products, including hardware and software, and computer programs themselves.

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[6] Newman, "Copyright Law and the Protection of Privacy," 12 Colum.-VLA J. L. & Arts 459, 471 (1988).

Adequate protection for the intellectual property contained in such works is essential to the commercial well-being of our members, and to maintaining U.S. competitiveness in the international market for computer hardware and software. This legislation weakens that protection.

D. The bills would jeopardize unpublished computer programs.

Our members are concerned about any potential broadening of fair use with respect to unpublished computer programs. The defense of fair use is asserted against claims of infringement of computer programs, just as it is against claims of infringement of other copyright-protected works. See, e.g., Cable/Home Corp. v. Network Productions, Inc., 902 F.2d 829 (11th Cir. 1990).

Many computer programs are unpublished, either because they have not been distributed at all (e.g., programs in development or programs used only internally by the developer) or because they have been made available to third parties in a sufficiently limited or restricted manner so as not to constitute a "distribution . . . to the public," and therefore not a "publication" under the copyright law. 17 U.S.C. §101.

Professor Goldstein's treatise Copyright (1989) (hereinafter, "Goldstein") draws the distinction clearly, using computer programs as an example:

> "The House Report on the 1976 Act characterizes the 'public' as, generally, 'persons under no explicit or implicit restrictions with respect to disclosure of [a work's] contents.' . . . [T]he reference to restrictions on 'disclosure,' rather than to restrictions on 'copying' as required under the 1909 Act, suggests that Congress probably contemplated distribution to a limited group beyond which the work would not be disclosed. Courts have adopted this construction, holding that it did not constitute publication under the 1976 Act for a copyright owner to authorize the distribution of its computer program only to owners of particular computers, to distribute eleven copies of a manual to a selected group of users or to distribute plans to a contractor and its subcontractors and suppliers." §3.3.1 at p. 258 (footnotes omitted).

See House Report at 138; Hubco Data Prods. v. Management Assistance Corp., 219 U.S.P.Q. (BNA) 450, 455 (D. Idaho 1983); GCA Corp. v. Chance, 217 U.S.P.Q. (BNA) 718, 720 (N.D. Cal. 1982) (no divestitive publication where "[p]laintiff had no intention of distributing either its source code or its object code to the general public. The source code was never published or disclosed, as defendants have admitted;

the object code was distributed only to purchasers of WAFERTRAC and for a limited purpose with the belief that it could not or would not be copied."). See also Goldstein, §10.2.2 at p. 229 ("Courts have given the concept of 'unpublished' a flexible, nontechnical meaning in determining whether a work should be protected from the fair use defense.")

E. Trade secret protection cannot take the place of copyright.

Businesses rely on trade secret and copyright protection to protect various aspects of unpublished confidential and technical material. Trade secret protection cannot substitute for copyright protection. There are many circumstances in which trade secret law cannot effectively prevent the dissemination of unpublished confidential works (e.g., where the misappropriator has already made the trade secret material public) or compensate for damage suffered (e.g., where the misappropriator can't be identified and the party who ultimately publishes the material did not acquire it, or know that it was acquired, through improper means). Moreover, trade secret protection is not uniform from jurisdiction to jurisdiction (despite the existence of a "Uniform" Act), and the prevailing plaintiff in a trade secret action may not get relief commensurate with what the prevailing plaintiff in a copyright action might get.

Trade secret law and copyright law coexist. Trade secret law is not cut back or preempted by copyright. See, e.g., Warrington Associates, Inc. v. Real-Time Engineering Systems, 522 F. Supp. 367 (D. Ill. 1981); House Report at 132; Senate Report at 115.

In enacting the Computer Software Amendments of 1980, Congress considered the possible diminishment of the scope of trade secret protection for computer programs. Congress made clear that the copyright law did not cut back on that trade secret protection:

> "During the course of Committee consideration the question was raised as to whether the bill would restrict remedies for protection of computer software under state law, especially unfair competition and trade secret laws. The Committee consulted the Copyright Office for its opinion as to whether section 301 of the 1976 Copyright Act in any way preempted these and other forms of state law protection for computer software. On the basis of this advice and advice of its own counsel the Committee concluded that state remedies for protection of computer software are not limited by this bill." H.R.Rep. No. 1307, Part I, 96th Cong., 2d Sess. at 23-24 (1980)

Recently-issued regulations of the Copyright Office also recognize the existence of dual trade secret and copyright protection for computer programs, by providing special deposit options for computer programs containing trade secrets. Copyright Office, Registration of Claims to Copyright: Deposit Requirements for Computer Programs

Containing Trade Secrets and for Computer Screen Displays, 54 Fed. Reg. 13,173-77 (1989); 37 C.F.R. §202.20(c)(2)(vii). See also National Conference of Bar Examiners v. Multistate Legal Studies, Inc., 692 F.2d 478 (7th Cir. 1982), cert. denied, 464 U.S. 814 (1983); 37 C.F.R. §§202.20(b)(4) and (c)(2)(vi).

Research, development and licensing practices have been firmly established in the software industry and elsewhere in reliance on the settled balance between federal copyright law and state contract and trade secret law achieved in the 1976 Copyright Act and the 1980 Software Amendments. The present legislative proposal would jeopardize confidential material and upset that balance by implicating preemption questions long resolved.

In sum, this legislation subjects the works at the very heart of what we do to broader unauthorized taking, and for that reason we oppose the legislation as drafted.

IV. The Proposed Legislation Would Hurt U.S. Efforts to Achieve Strong International Protection for Works of U.S. Authors.

A. The proposed legislation may conflict with the Berne Convention.

Serious questions exist as to whether the proposed legislation is consistent with the Berne Convention.

Article 9(1) sets forth the "principle" of the "right of reproduction":

> "Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form."

Two other provisions are of particular relevance to the question of what copying is considered, in effect, "fair use" under Berne. The first, Article 10(1), is an express provision on "quotations" that addresses directly the kinds of issues that have given rise to the proposed legislation. That Article provides:

> "It shall be permissible to make quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries."

The first of the provision's three limitations on the license to quote is particularly relevant. As the WIPO Guide to the Berne Convention (1978) ("WIPO Guide") explains:

> "In the first place the work from which the extract is taken must have been lawfully made available to the public. Unpublished manuscripts or even works printed for a private circle may not, it is felt, be freely quoted from; the quotation may only be made from a work intended for the public in general." (para. 10.3, p. 58.)

Thus, there is a significant danger that Article 10(1) would be violated by a law that would sanction unauthorized quotation from President Ford's unpublished memoirs, from the unpublished Hubbard diaries, and perhaps even from those unpublished Salinger letters that had been made available to the public only under restrictive form agreements. The current presumption against the permissibility of "fair use" of unpublished copyrighted works is more clearly reflective of Article 10(1) than the proposed legislation, which obscures -- if not obliterates -- the distinction between published and unpublished works.

Even if the proposed legislation complied with Article 10(1), it would appear to violate the other relevant provision of Berne, Article 9(2). Article 9(2) provides in general terms for legislation to permit unauthorized copying in "certain special cases":

> "It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author."

On its face, Article 9(2) makes clear that "fair use" legislation may permit reproduction only in "certain special cases." As the WIPO Guide points out, the two conditions in Article 9(2) "apply cumulatively: the reproduction must not conflict with a normal exploitation of the work and must not unreasonably prejudice the legitimate interests of the author." (para. 9.6, p. 55). Any legislation that made it permissible to copy from unpublished manuscripts and confidential business plans, for example, would seem to violate the copyright owner's right to "normal exploitation of the work."

B. The legislation could undermine the U.S. position in international negotiations.

Given the apparent conflict between Berne's requirements and the proposed legislation, its enactment could foster an international perception that the U.S. does not regard its Berne obligations seriously, and could undermine U.S. efforts to achieve strong protection abroad for U.S. works in the WIPO Model Copyright Law, a possible protocol to the Berne Convention, and in the GATT. It would also undermine efforts of the Administration and Congressional leaders in the E.C., where a special exemption to copyright to allow decompilation of computer programs is under discussion.

Finally, if other countries follow suit in allowing broader use of unpublished material, it could jeopardize protection for trade secret and other confidential material of U.S. companies abroad and undercut U.S. competitiveness.

This problem would be exacerbated in countries that do not have trade secret protection as we know it.

V. Conclusion

We are not asking that any special exemption be added to this legislation for confidential business or technical works, including computer programs. Nor do we think our concerns, which are fundamental to the legislation, can appropriately be addressed in the legislative history.[7]

We suggest instead that the proponents of this legislation tailor an exemption to respond more precisely to the specific concerns that the recent Second Circuit cases have raised for them, rather than seeking legislation that sweeps far more broadly than warranted by those cases. It is questionable whether proponents have met their burden of showing that any legislation is necessary. They plainly have not demonstrated how the cases warrant weakening protection for all unpublished confidential business and technical works.

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[7] In the case of legislation such as that proposed, "clarification" should not be left merely to legislative history. Judges may not rely on legislative history until it is reinforced by case law, if they believe the statute is (Footnote Continued)

As stated earlier, we do not share the concerns of the proponents of this legislation, but we are not unalterably opposed to any legislation in response to the Salinger and New Era decisions. If any such legislation is adopted, however, it should not be the "broad brush" approach currently proposed, but instead should be narrowly drawn to deal only with the core of proponents' specific concerns.

We are willing to work with authors and publishers to see if it is possible to develop legislation that can respond specifically to their concerns, without unnecessarily putting at risk the vast body of unpublished confidential business and technical materials that form the basis of our concern.

We appreciate the opportunity to present our views to the Subcommittees today, and we would be pleased to provide any further assistance the Congress may request on this matter, which is of great concern to our members.

(Footnote Continued)
sufficiently clear on its face. This is true even for those judges who do not question the validity of using legislative history as a tool in statutory interpretation.

Senator **Simon**. Thank you. Our legislation is not designed, obviously, to—we want to protect business and technical information. When we contacted your association asking for possible language to make an exemption there, we did not get any cooperation, frankly, from your association. They just say they want no change in copyright law.

I think there is going to be a change in copyright law, and I think your association has to recognize that.

Mr. **Burger**. Senator Simon, I don't disagree with the fact that there seems that there is going to be a change. The point is it is not our problem that you are addressing. You are addressing the problem of the historical, unauthorized biographical journalists and writers. I hear the emotion here, and I see that there needs to be a change.

But they have some very talented lawyers, and we have heard from at least one here today. That question of coming up with legislation that is narrow enough to suit their purpose without touching on any industries is one properly addressed to them. We would be glad to work with them. We have offered to work, but we have not gotten from them anything that we could put our hands around and take a look at the language.

We generally respect what you are saying, Senator, and what they are saying. But it is their problem. We can't solve their problem. We don't know all the parameters of it. They would be better off proposing the language.

Senator **Simon**. I guess their problem has become your problem.

Mr. **Burger**. Yes, Senator.

Senator **Simon**. I think what you have to do, and your association, is to suggest how we clarify and exempt the kinds of things that you are talking about here with the legislation that is pending.

So if you can pass the word along to your association, we want to work with you. I guess I would disagree that the focus of the concerns here is a narrow one. I think we are talking about something that is very basic in terms of freedom of expression in our country. We want to protect legitimate businesses from piracy. That is what you are interested in.

Mr. **Burger**. That's correct.

Senator **Simon**. I think that can be worked out, but I think your Association has to work with our staff on that.

Mr. **Burger**. Senator, I offered our cooperation. I will take that message, loud and clear, back to both associations and we will be back to you on that, Sir.

Senator **Simon**. OK.

Mr. **Biddle**. Senator, in the vein, I think one of the key areas we are concerned about is not watering down the historic precedents that have been established around the fair use doctrine. We do feel that there are instances where unpublished works should be treated the same as published works.

I share with Mr. Burger the concern about business documents. On the other hand, it seems that that may well represent a weakness in the definition of publication which was raised by several of the earlier witnesses. An example: we recently contributed to the Hagley Museum and the Babbage Institute a million and a half pages of internal IBM documents that came out of the United States versus IBM antitrust litigation. This is the only definitive history of our industry, in many respects, for a period of three decades.

Is that an unpublished work? Our scholars will be barred from reading the internal memoranda of the IBM corporation that are now "in the public domain." But are those museums, and did we, violate copyright by obtaining them from a court of law? We would contend they were public documents, and they were published.

But I could probably find half the lawyers in this room on either side of that question.

Senator **Simon**. We want to work with you. We recognize there are some problems here, but I think you understand the problems on the other side, too. And we appreciate your being here.

We will keep the record open for any additional questions that other members of the committees want to submit, or other statements, but our hearing stands adjourned.

[Whereupon, at 12:20 p.m., the subcommittee adjourned.]

APPENDIX

Additional Submissions for the Record

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS
1012 FOURTEENTH STREET, N.W., SUITE 500
WASHINGTON, D.C. 20005
(202) 737-5900

GOVERNMENT RELATIONS OFFICE
Alfred D. Sumberg, Associate General
Secretary and Director of Government Relations

Toll-Free Legislative Hotline
1-800-424-2973

July 9, 1990

The Honorable Robert Kastenmeier
Chairman, House Judiciary Subcommittee
on Courts, Intellectual Property, and
the Administration of Justice
United States House of Representatives
Washington, DC 20515

Dear Mr. Kastenmeier:

On behalf of the American Association of University Professors, I wish to bring to your attention the following resolution adopted by the Seventy-sixth Annual Meeting of the Association, held in Washington on June 16-17, 1990:

Recent decisions of the U.S. Court of Appeals for the Second Circuit raise serious questions about the right of scholars and writers to quote from unpublished materials without obtaining permission from the original writer or from his or her heirs. Unpublished materials are protected under the Copyright Act of 1976, but the court decisions sharply restrict the fair use of these materials.

The American Association of University Professors supported the inclusion of the common-law doctrine of fair use in the Copyright Act of 1976. This Annual Meeting is concerned that the restrictions imposed by the court decisions not only unduly limit the right of scholars and others to quote from unpublished materials, but may also result in self-censorship by authors who are fearful that, as has already occurred in one case, court injunctions will halt publication of their works.

The Seventy-sixth Annual Meeting of the American Association of University Professors welcomes legislation that clarifies the doctrine of fair use as it applies to unpublished materials, and, while protecting the reasonable interests of original writers and their heirs, adequately ensures freedom of scholarly research.

Sincerely yours,

Alfred D. Sumberg

Alfred D. Sumberg
Associate General Secretary

Storage Technology Corporation
2270 South 88th Street
Louisville, Colorado 80028-4308
(303) 673-3128

StorageTek

Office of
Corporate Counsel

July 9, 1990

Writer's Direct
303/673-4920

The Honorable Robert W. Kastenmeier
Chairman
Subcommittee on Courts, Intellectual
 Property, and the Administration of
 Justice
Congress of the United States
House of Representatives
Committee on the Judiciary
2138 Rayburn House Office Building
Washington, D.C. 20515-6216

Re: HR 4263

Dear Mr. Chairman:

By way of introduction, Storage Technology Corporation, located in Louisville, Colorado, manufactures, markets and services, worldwide, information storage and retrieval subsystems for high-performance computers. The company employs over nine thousand people, and total revenue in 1989 was $983 million.

Storage Technology wishes to make you aware of its support for HR 4263. We understand that publishers and persons engaged in scholarly research feel that this bill is a necessary help to their research efforts, and we certainly support that perspective.

There is another, perhaps less obvious, situation which exists in the software industry which may well be affected by this amendment. Most software distributors take advantage of copyright to preserve the creator's interest in a computer expression, much like the author's copyright of a book protects his written expression. It is clear that a book may be read, analyzed, studied and used to provoke ideas without compromising the author's copyright protection. Likewise, software which takes advantage of copyright protection should be the subject of analysis and study to glean ideas. Such study and analysis of software often reveals an underlying work which is typically characterized as protected by an "unpublished" copyright. The introduction of the phrase "whether published or unpublished" in Section 107 of the copyright law will serve to clarify the extent of copyright protection. The mere characterization of software as "unpublished" should not hold the user accountable for treating an unpublished copyrighted work in a manner different than a published copyrighted work.

The copyright law should not provide different degrees of treatment based on the characterization of expression. If a copyright holder (e.g., a software distributor) wishes to get more than copyright protection for his software, then he should take advantage of other recognized protections, such as trade secret, licenses or patents. Such other protections would provide notice to a user that the software is protected beyond copyright and should be treated in a manner characterized by such other protection. Copyright protects expression and specifies the bounds of "fair use." A software licensee should be free to use and examine software programs acquired by it to the same extent as it would be free to use and examine other copyrighted materials. The extent of fair use should not be manipulated by a commercial distributor of software who characterizes software as unpublished despite massive public distribution of the copyrighted material, absent other proprietary protection.

It is for this reason that Storage Technology lends its strong support to your bill. If we can provide any additional insight, we would be happy to try and do so.

Very truly yours,

W. Russell Wayman
Vice President and General Counsel

bmw

Georgia State University

University Plaza • Atlanta, Georgia 30303-3083

July 10, 1990

The Honorable Robert K. Kastenmeier
Chairman
Subcommittee on Courts, Intellectual
  Property & the Administration of
  Justice
House Judiciary Committee
2138 Rayburn House Office Building
Washington, D.C. 20515-6219

Dear Representative Kastenmeier:

I have prepared a statement about the proposed change in the Copyright law in relation to Fair Use of Unpublished Words, and my own book Agee Documents.

I am in support of this legislation and would be glad to provide additional commentary if necessary.

Sincerely,

Victor A. Kramer

Victor A. Kramer
Professor of English

The attached statement provides background about Victor A. Kramer's *Agee: Selected Literary Documents* in relation to the changes in the copyright law as proposed by the joint Kastenmeier-Simon bill.

This statement is submitted as testimony in support of the bill co-sponsored by Senator Paul Simon and Congressman Robert Kastenmeier (S. 2370 & H. R. 4263) at the hearing held July 11, 1990.

Victor A. Kramer

Victor A. Kramer 1748 Vickers Circle, Decatur, Georgia 30030
Professor of English Georgia State University, Atlanta, Georgia 30303

A statement about

Agee: Selected Literary Documents, edited by Victor A. Kramer

Agee Documents provides compelling evidence of the need for change in the present copyright law so that scholars can use unpublished material to concentrate on particular areas of literary research. This contracted university press book is a specialized study of Agee's development as a writer. The book will be of use to scholars and general readers with an interest in the life, writings, and career of James Agee both in relation to his published work and to American culture.

The book, 59 ungathered and unpublished pieces, along with considerable editorial commentary, consists of materials largely not controlled by the Agee Trust. That is, 52 of its 59 pieces are from The Phillips Exeter Monthly, The Harvard Advocate, Time magazine, my dissertation, or publications by me.

This scholarly study is the natural extension of considerable earlier work in which I have been engaged since 1962. The desire to use a very small number of materials (from the Harry Ransom Humanities Research Center of the University of Texas) which are "whole manuscripts" not before published in my dissertation (1966), or elsewhere within scholarly publications by me, should make it apparent that, as a paradigm for similar situations, the context is crucial. This context is a refereed university press book which will have a limited (appropximately 1500 copies) press run. Offers have been made to reduce the quotations which are in question. The projected book will not generate many royalties (and these have been offered to the Agee Trust) as opposed to a trade book which will earn money for its author.

The present law is so restrictive that it effectively prevents projects such as this one which have abundant legitimate grounds for existence as illustrated in the following points: 1) My extensive similar published Agee-related work; 2) the explicit permission of the former Agee Trustee to publish "data and information" for scholarly purposes; 3) the fact that this Trustee possessed a copy of the manuscript in question for years and expressed no objection about this project (or others); 4) that there was an implicit agreement between me and that former Trustee to publish scholarly work; 5) and, in addition, the very real possibility that the few manuscript materials which are in dispute may well already be in the public domain because of the manner in which they were sold and transferred; and, 6) because the Agee Trust made no attempt to copyright materials which were earlier edited in my copyrighted dissertation (1966) and now included in Agee Documents.

This edited collection would help readers to understand Agee's development as a writer. It would allow access to materials which scholars and interested readers cannot now obtain except through extensive travel or use of copying machines. It would provide valuable information about Agee's career as a writer not available in any other way. It would not infringe upon the commercial rights of the Agee Trust.

IPO INTELLECTUAL PROPERTY OWNERS, INC.

1255 TWENTY-THIRD STREET, N.W.
SUITE 850
WASHINGTON, DC 20037
TELEPHONE (202) 466-2396
TELEX 248959 NSPA UR
FAX (202) 833-3636

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July 27, 1990

The Honorable Dennis DeConcini
Chairman
Judiciary Subcommittee on Patents,
Copyrights and Trademarks
United States Senate
Washington, DC 20510

The Honorable Robert W. Kastenmeier
Chairman
Judiciary Subcommittee on Courts, Intellectual
Property, and the Administration of Justice
U.S. House of Representatives
Washington, DC 20515

Dear Senator DeConcini and Representative Kastenmeier:

I am writing to inform you of the views of Intellectual Property Owners, Inc. (IPO) on S. 2370 and H.R. 4263.

IPO's members own patents, trademarks, copyrights, and trade secrets. Our members are responsible for a significant portion of the research and development in the United States. They need effective intellectual property laws to protect their R&D investments.

We oppose S. 2370 and H.R. 4263 because we believe they would significantly weaken copyright protection for unpublished works, including unpublished computer programs and unpublished documents containing trade secrets and confidential business information. Contrary to the interpretation of the Copyright Act by the Supreme Court in the *Harper & Row* case, the bills would require courts to apply fair use principles to unpublished works in the same way they apply fair use principles to published works.

This expansion of fair use of unpublished works would undermine the author's right of first publication. By undermining an author's right to decide whether and when to publish a work, the bills would actually discourage authorship. We cannot see how this could promote any policies of the First Amendment.

Copyright law does not prevent other parties from using the ideas and facts contained in an author's unpublished work. Only the author's expression is protected by copyright.

We question whether any legislation is needed to respond to the Second Circuit's opinions in *New Era Publications International v. Henry Holt* and *Salinger v. Random House*. These opinions must be interpreted consistently with the Supreme Court's conclusion in *Harper & Row* that "the unpublished nature of a work is '[a] key, though not necessarily determinative, factor' tending to negate a defense of fair use" (quoting from Senate committee report on 1976 Copyright Act).

The *New Era and Salinger* opinions also must be interpreted in light of more recent statements and articles by Second Circuit judges. Future rulings on fair use of unpublished works undoubtedly will take into account the facts of each case.

Copyright protection for unpublished works complements protection available under state trade secret laws. In some circumstances, copyright provides more effective protection than trade secret laws. Our members rely on and require both types of protection for their intellectual property.

Many computer programs and technical descriptions of inventions are unpublished. They have not been distributed at all, or else they have been distributed in a limited manner with restrictions on further distribution. Often unpublished materials relate to new products or processes still under development. In addition to computer programs, unpublished technological works include descriptions of processes and products in the chemical, pharmaceutical, and biotechnology industries, among others.

Any weakening of copyright protection for these unpublished works will weak the incentives for U.S. industry to invest in R&D. The bills could interfere with the rights of parties to contract with respect to technical information. This would produce a chilling effect on the movement of technologies.

Other factors that weigh against enactment of S. 2370 and H.R. 4263 include possible incompatibility with the Berne Convention and possible undercutting of efforts by U.S. negotiators to persuade our trading partners to protect trade secrets.

We believe this legislation is unnecessary, and its enactment would weaken the industrial competitiveness in U.S. industry. We request that this statement be included in the record of the public hearing held on July 11, 1990.

Sincerely,

Donald W. Banner

Donald W. Banner
President

cc: Hon. Paul Simon

May 8, 1990

Honorable Paul Simon
United States Senate
Committee on the Judiciary
Washington, DC 20520-6275

Dear Senator Simon:

On March 19, 1982, Dianne Masters, an elected trustee of the Morraine Valley Community College, left a restaurant where she and her colleagues had gone for drinks following a board meeting. What happened after she completed her four-mile drive home remains to this day a mystery.

When her body was discovered nine months later in the trunk of her car, it was clear that Dianne had been murdered that night. However, it took more than seven years to bring the three men who conspired and plotted her death to justice. To date, no one has been found guilty of the actual murder of the young mother who left behind a four-year-old daughter when she died.

Incredibly, two high ranking law enforcement officials, one a suburban police chief and the other a lieutenant in the Cook County Sheriff's Department, engaged in an elaborate coverup of Dianne's murder in order to protect her husband, a powerful and corrupt lawyer in the southwest suburbs of Chicago.

Only through the efforts of the U.S. Attorney's Office in Chicago, and a talented, persevering detective in the sheriff's department, was the truth about Dianne's murder ever uncovered.

Several months ago, Randall Turner, Dianne's brother, sought out two journalists, Edie and Ray Gibson, to help him write a book about Dianne's murder and the subsequent coverup.

Dianne left behind a plethora of letters. She was an eloquent and prolific writer and her letters, penned to relatives and friends, paint a picture of a warm and loving mother who was desperate to escape her corrupt husband and the evil world he inhabited. Dianne was seeking a divorce and, coincidentally, disappeared three days before her attorney was to file the documents.

Many of the letters that the authors located were provided to police and would be considered public records under Illinois law. In them, Dianne frankly reveals her fears about her husband--how he would destroy her before allowing her to divorce him--and how he vowed he would never allow her to gain custody of their daughter. She discusses Masters' sphere of influence and how it extended throughout the judicial system.

She also shares her fears that the home's telephone lines were tapped, a fear that was later confirmed as part of the investigation. And, she tells how she suspects she is being followed.

Unfortunately, none of Dianne's own words will ever appear in the book we are preparing. Our publisher, St. Martin's Press, has indicated that recent court rulings have prohibited us from using any letters or any parts of Dianne's letters in the upcoming book without the permission of her estate.

In this case, her words will never appear because the executor of her estate and the chief beneficiary of her will was her husband, Alan Masters, who is now serving a 40-year prison sentence on the conspiracy charges.

While Alan Masters stands guilty in the eyes of the law of plotting and carrying out his wife's murder, he was not convicted of actually murdering his wife. Although attorneys for her brother, Randall, have argued that his federal conviction was sufficient under Illinois law to remove him as executor and beneficiary, he continues to remain in control of the estate.

We urge the Senate to support the changes in the law as outlined by Senate Bill 2370. And Randall Turner stands ready testify before the Senate for changes in the law.

If you need additional information, please contact us at 1821 Grant Street, Evanston, Illinois 60201; our phone number is (708) 869-9851.

Sincerely,

Edie and Ray Gibson
Randall Turner (eg)

Edie and Ray Gibson and Randall Turner

ASME
American Society of Magazine Editors

90

September 11, 1990

The Honorable Paul Simon
Chairman
Subcommittee on the Constitution
524 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

The American Society of Magazine Editors (ASME) strongly supports the bills S.2370 and H.R. 4263, legislation clarifying that the fair use provisions of the Copyright Act apply to both published and unpublished works. We understand that a joint hearing on the legislation was held on July 11, 1990, by the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks and the House Judiciary Subcommittee on Courts, Intellectual Property and the Administration of Justice. Please be advised that ASME endorses, and wishes to be associated with, the statement prepared for the record of the hearing by Mr. Kenneth M. Vittor, Vice President and Associate General Counsel of McGraw-Hill, Inc., on behalf of the Magazine Publishers of America.

ASME is the professional society of editors of consumer magazines, business papers and farm publications. Our 650 members are chief editors, managing and executive editors, and senior editors and art directors of familiar, large-circulation magazines such as Newsweek, Time, Reader's Digest, Business Week, and Good Housekeeping, as well as of smaller circulation publications such as Harper's, American Heritage, National Journal, Natural History, Art & Antiques, and Black Enterprise. ASME is an unincorporated association affiliated with the Magazine Publishers of America.

ASME speaks out on important issues of public policy affecting editorial freedom. (As you may recall, we as an organization, and many of our members individually, were active and vocal participants in the debate over U.S. adherence to the Berne Copyright Convention during 1987 and 1988.) This clearly is such an issue. As Mr. Vittor demonstrates compellingly in his statement, the "wooden" application of the fair use doctrine to unpublished works together with the prospect of "automatic" issuance of injunctions to stop publications from going to press, poses a unique threat to the delicate balance of Copyright Act and First Amendment considerations which is a cornerstone of editorial freedom. We agree wholeheartedly with Mr. Vittor's conclusion that "remedial legislation is clearly necessary." We also join with Mr. Vittor and MPA in urging the Congress to formally request the Copyright Office to undertake a special study of the courts' use of injunctive power against publications.

Magazine Center, 575 Lexington Avenue, New York, NY 10022 / (212) 752-0055

ASME urges the early enactment of this important legislation. We respectfully request that this letter be included in the record of the July 11, 1990 hearing.

Sincerely yours,

John Mack Carter
President, ASME
Editor-in-Chief, Good Housekeeping

FairTest
National Center for Fair & Open Testing

STATEMENT OF THE NATIONAL CENTER FOR FAIR & OPEN TESTING TO THE JOINT HOUSE-SENATE JUDICIARY COMMITTEE REGARDING H.R. 4263 AND S. 2370

The National Center for Fair & Open Testing (FairTest) is pleased to present its views on H.R. 4263 and S. 2370. As the leading nonprofit organization devoted to ensuring that standardized tests are fair, accurate, accountable and educationally sound, FairTest urges the Committee to state in its Reports that previously administered standardized tests are to be considered "published" works for the purpose of determining fair use under Section 107 of the Copyright Act. In the alternative, the Committee Reports should not take a position on this matter.

Background

Standardized tests play a key role in defining the educational opportunities of millions of Americans. Whether a student seeks admission into college, graduate school or a profession, chances are a standardized test will be required as a prerequisite to admission. Given the pervasive use of these exams, it is critical that they accurately measure skills and ensure equal opportunity, rather than unfairly restrict access to education. Independent researchers have found, however, that many standardized tests are deficient on both counts. The end result is that for many people--especially persons from minority groups, low-income backgrounds and women--standardized tests can serve as a discriminatory barrier to achieving educational goals.

In 1979, the New York State legislature enacted the Standardized Testing Act, N.Y. Educ. Law, section 340 et seq., commonly known as the "Truth-in-Testing Act," in response to these concerns and the fact that standardized testing companies were withholding information needed to provide accountability to test-takers and the public. This landmark law created a framework to monitor and prevent unfair, invalid, or biased standardized testing practices. It requires testing companies to publicly disclose standardized university admissions test questions and answers (but not unscored test questions used to equate different test forms), as well as make research reports on test validity and fairness available to the public.

The Truth-in-Testing Act satisfies important and legitimate public policy concerns within the context of the fair use exceptions to the Copyright Act; it does not permit infringing uses. Since the passage of Truth-in-Testing, in fact, test-makers have on several occasions demonstrated an ability to police actual infringements of their rights. See American Association of Medical Colleges v. Mikaelian, 571 F. Supp. 144 (E.D. 1983) and ETS v. Katzman 793 F. 2d 533 (3d Cir. 1986).

For 10 years, test-makers successfully complied with Truth-in-Testing and there is substantial evidence that they even prospered financially from the sale of test questions. Despite this, in January 1990, a federal district court, applying the fair use doctrine, found that Truth-in-Testing infringed the federal copyrights of one test-maker, which had never complied with the law. American Association of Medical Colleges v. Cuomo, No. 79-CV-730 (N.D.N.Y. Jan. 12, 1990). The State of New York appealed this decision and the matter is presently before the Court of Appeals for the Second Circuit. Following the district court's action, major national test-makers, such as the Educational Testing Service, College Board, Graduate Record Examination Board and others, moved for a preliminary injunction enjoining New York from enforcing Truth-in-Testing against them as well. Their argument was similarly based on the Copyright Act.

Although these matters are currently pending in federal court, test-makers have asked the Joint House-Senate Judiciary Committee to, in effect, give them an "extra edge" in their litigation, by explicitly stating in the Committee Reports that the testing industry should be exempt from the beneficial effects of H.R. 4263 and S. 2370. FairTest strongly urges the Committee not to deviate from its original course in order to shield the testing industry from meaningful public scrutiny. This is clearly not the purpose of the Copyright Act and not in the best interest of millions of American test-takers.

Moreover, the testing agencies mischaracterize the current state of the case law. It is simply inaccurate to state that secure tests are not subject to fair use. Regardless of the outcome, courts have consistently applied the fair use doctrine in copyright cases involving standardized tests. Indeed, educational and non-commercial uses of test questions by researchers, students and scholars to study and evaluate whether standardized tests are fair and unbiased--the uses contemplated by Truth-in-Testing--are exactly the type of fair uses promoted by Section 107. Any other result would not only deter, but completely disable, scholars and researchers from studying and evaluating standardized tests. That would contravene the Congressional purpose embodied in H.R. 4263 and S. 2370 of not inhibiting productive, non-commercial or educational fair uses of copyrighted material.

Standardized Tests Are "Published" Works

Although some courts have suggested that standardized tests are "unpublished" works,it is important to note that most of those cases involved charges of commercial uses of tests **prior** to the tests' administration.

On the other hand, it is common sense that **after** their administration, tests cannot possibly be "unpublished." At that point, the tests have already been published, displayed and distributed to the thousands of test-takers who sit for the exam. It is a well-known principle that once a copyright holder releases or displays his work in public, the valuable "first use" of a work has been exploited and the work has been published. Harper & Row v. Nation Enterprises, 471 U.S. 539, 564 ("author's right to control first public appearance of his expression weighs against such use of the work before its release") (emphasis added). Cases such as Salinger v. Random House, Inc. 811 F. 2d 90 (2d Cir.) cert. denied 484 U.S. 890 (1987) do not apply to previously administered test questions because those cases involve works where the author has not yet exploited his "first use" rights and the defendant was arguably misappropriating that valuable right.

In light of this important distinction, it is clear that standardized tests do not deserve special copyright protection under Section 107 and should remain eligible for fair use under the law. Like other copyright holders, test-makers may have a right to limit access to tests **prior** to their first use, but they do not h[illegible] right to **permanently** conceal tests from public accountability and the free flow of information.

FairTest asks that the Committee recognize this distinction and the public's legitimate interest in openness in testing by defining tests as "published" works in the Committee Reports.